



Micro Enterprise

Eligible Applicants

Applicants(s) must conduct business and have a physical presence within any of the participating Counties/Reservations of the CONAC area. The enterprise must be an active or new small business venture (i.e. Retail, service, manufacturer, sales, or information business) and may employ up to ten people.

Fund Activities

A business venture can receive up to a maximum of \$5,000 for activities that can be associated with a venture start-up or expansion, such as, but not limited to:

Business Plans
Product Development
Marketing Plans
Marketing Activities

Business Start-up Costs
Licenses/Patents/Certifications
Research and Development
Equipment Essential to Product Development

Activities that will not be funded include:

Lobbying or Political Activities
Personal Expenses
Sports Programs

General Business Operating Expenses
Arts, Cultural Activities and Festivals
Religious Activities

Matching Requirements

The fund will cover no more than 50% or \$5,000 (whichever is less) in any one application or combination of applications under this fund. Matching funding must be in cash and must relate directly to the proposed activity. In-kind funds will NOT be considered a match under this program, although applicants may disclose any such funds in a project budget to track the true cost of the investment.

Loan Terms

Each applicant will enter into a Performance Agreement and Promissory Note for the unsecured loan with CONAC for the investment of funds. All funds must be repaid in monthly installments with a two (2) percent annual rate of interest over a period of three (3) years from the date of signing the Agreement. A minimum payment of fifty dollars (\$50) can be negotiated, but the entire amount of the loan will be due at the end of the 36th month. The Applicant may negotiate an optional deferment of the principal payment for up to six months. Prepayment of any loan may be made without penalty. Any debt remaining after the due date of the loan will subject to an increase in the annual interest rate up to six (6) percent. In addition, all funds will become due and payable upon demand if the proposed activity is not substantially initiated within 180 days of the receipt of funds.

Application Procedures

All applicants must complete and submit a CONAC benchmark application and provide a written narrative and budget outlining the proposed activities for the project. All applications must be sponsored and developed jointly with a legally organized local community development corporation or job development authority. The CONAC Board of Directors will review applications on a monthly basis. To be placed on the CONAC agenda, applications must be submitted prior to the first day of each month. Applications will be submitted for review on completeness to the Regional Council that is associated with the location of the proposed activity. Incomplete applications will be held until such time as they are complete. Those Regional Councils are:

North Central Planning Council
PO Box 651
Devils Lake, ND 58301
michellencpc@gondtc.com
Ph: 701-662-8131
Fax: 701-662-8132

Applicants may be asked to address the CONAC board regarding their application and encourage a representative of the sponsoring development organization to accompany the applicant. The CONAC board reserves the right to deny the application, require additional information upon review of the application, or hold over the application for cause.

Reporting

After completion of the project, or not later than a year after receipt of funds, each funded micro enterprise must provide a report which will include a narrative of the results of the activity, including a description of the use of funds and verification of the matching requirements.

Fund Operations

All repayment of this fund will be deposited into the CONAC General Fund. These funds may be redistributed to any activity approved in the CONAC Strategic Plan, with the exception of ten (10) percent, which will be retained as a loan loss reserve.

One-half of any interest collected (either through regular payments or penalty payments) will be reserved for loan monitoring costs and made payable to the appropriate Loan Administrator.