



Indian Equity Fund Small Business Grant

Application Guidelines

Montana Department of Commerce

P.O. Box 200533

Helena, MT 59620-0533

Phone: 406-841-2700 | Fax: 406-841-2701

commerce.mt.gov

Montana 711: montanarelay.mt.gov

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I. About the Program

The Indian Country Economic Development Program, created by the 59th Montana State Legislature, is a State-funded program administered by the Montana Department of Commerce. Between October 2005 and June 2023, the Montana Legislature funded ICED with a restricted, one-time only appropriation. Since July 2023, the Montana Legislature has made a permanent annual appropriation of funds to the ICED Program for Montana's tribal nations and tribal businesses to further business development activities in the amount of \$875,000.

Various programs are funded under the ICED Program, including: (i) the Tribal Business Development Grant; (ii) the Tribal Tourism Grant; (iii) the Indian Equity Fund Small Business Grant; and (iv) the Native American Business Advisors. These programs allow the Office of Indian Country Economic Development at Commerce to continue to articulate measurable successes of the program to tribal communities, the executive branch, and elected leadership.

II. Indian Equity Fund Small Business Grants

A. Summary

The Indian Equity Fund Small Business Grant Program assists startup or expanding Native American businesses in Montana. These grants can be used for a variety of activities, including the purchase of new equipment or the development of a new product line. Up to \$320,000 in grant funding is available to fund successful Native American business applicants in Montana.

B. Eligible Applicants

These grants are available to for-profit businesses owned by enrolled members of Montana's federally recognized tribes residing in Montana. Applicants within the

boundaries of a Montana Indian reservation will receive higher consideration over those outside these boundaries. All applicants must provide proof of residency, unless the business is a majority tribally owned entity — defined as having 51% tribal ownership. Proof of residency may include current or recent utility bills, bank statements, insurance statements, or government mail. All applications must include documentation of tribal enrollment in the form of a Certified Indian Blood Form or tribal ID. An application will be considered incomplete without this information. Eligible applicants can submit one application per funding cycle.

C. Ineligible Applicants

- Nonprofits
- Any applicant or business in Montana that is debarred, suspended, proposed for debarment or declared as ineligible to receive state of Montana funds
- Any applicant under a garnishment order at the time of application from the Montana Department of Revenue for monies owed to the state of Montana
 - Examples of garnishment include taxes owed to the State, child support payments that are past due, and funds owed to the University System.

D. Funding Availability

Applications will be accepted on an open cycle basis from July 1-Sept. 30. Check the website for more specific deadline details: [IEF Small Business Grant](#).

Applicants can request up to \$40,000 per application and must demonstrate a reasonable justification for the use of funds. Applicants are not required to request the full \$40,000 and are encouraged to only apply for what they need so grant dollars can be distributed among as many businesses as possible. Requested funds must be clearly itemized in the Use of Funds Form, describing exactly how the requested amount will be spent.

E. Eligible Activities

Funds can be used for a variety of business activities, typically funded by a commercial lender. These activities may include but are not limited to:

- Purchase of land, building, property renovations, signage, lighting, security systems, fencing, displays, organizational systems, and lockable display cases
- Purchase of assets including interior or exterior furnishings, equipment, and technology
- Business branding, website development, logo design, promotional materials, and marketing
- Business inventory, supplies, culinary supplies, tools, and essential materials to produce products or provide services
- Working capital for business operations
 - A strong case must be made to utilize funds for working capital.

Existing business owners must show how the funding will support growth in their business either through the development of a new product or service with the existing business strategy.

F. Ineligible Activities

Examples of activities that will not be funded:

- Reimbursement for activities completed prior to Commerce's receipt of an application
- Reimbursement for activities not related to business startup or expansion
- Duplicative reimbursement for activities receiving funding for the same services, equipment or improvements through any other local, state or federal grant or funding program, except as necessary to fully fund the project
- Meals, lodging, and mileage reimbursements
- Perishable food items, unenclosed flatbed trailers, livestock, utility bills, and rent

- Personnel costs, salaries, wages, and stipends

Please contact the program manager for more information about potential uses of these funds to ensure they meet the eligible activities before making any purchases.

G. Match Requirement

The requested grant funds require a minimum of dollar-for-dollar cash match (\$1-to-\$1) of the applicant's own funding or in-kind match, which must be firmly committed and documented in the application. Documentation of match will be required prior to the release of funds. Cash match may include collateral such as cash or loan proceeds from a tribal loan fund, a microloan program or a commercial lender. In-kind match may include inventory, supplies, equipment, tools, or vehicles that are owned by and part of the business activity.

H. How To Apply

Businesses are highly encouraged to utilize a Native American Business Advisor to assist them with their application, or they can submit applications on their own. Applications must be completed online through the ServiceNow application portal. First-time applicants will be required to create a ServiceNow profile, which requires a valid email account.

Applications considered incomplete or ineligible can be reopened for editing to the applicant through ServiceNow until the funding cycle closes. To make their applications competitive, applicants are encouraged to apply early so that they can make any necessary adjustments or changes before the deadline.

It is essential that business owners understand their business. Native American Business Advisors are available on each reservation and to Little Shell tribal members at no cost to the Native business owner to provide business counseling and assistance with the various aspects of the application, such as marketing and development of cash

flows and financial information. NABAs may assist in application preparation and are trained in the ServiceNow online application submission process. A list of NABA organizations is located at commerce.mt.gov in the NABA Organizations tab. Additionally, the Small Business Development Center network has locations throughout the state and can provide business counseling services. A map of SBDC host organizations is located at commerce.mt.gov.

Receipt of an application does not imply a commitment of funding from Commerce. Applications will be reviewed for eligibility and suitability with State and program requirements.

I. Application Review Process

Receipt of Application

Once submitted, each application is assessed for completeness and clarity by Commerce. Applications that are incomplete or lack clarity can be opened for editing to the applicant if submitted prior to the deadline. As needed, Commerce will provide the NABA contact information in the applicant's community as a resource. Commerce coordinates the application review and ranking timeline at the local and state levels.

Review

Applications will be reviewed by a NABA review committee and a state review committee. The program manager will gather findings from both committees and will make funding recommendations to Commerce leadership, who makes the final funding decision that is then approved by the governor.

J. Application Review Criteria

The following criteria will be used to evaluate the proposals for potential funding:

Application Project Requirements

It is critical that the review committee has a clear understanding of how the grant funds will be used.

- Did the application include a listing of all the assets of the business? This will detail the business' current capacity.
- Did the application show in detail the use of the grant funds? This will detail how these assets will help the business start or expand.
- When necessary, how was use of funds documented? For example, as price quotes, equipment or inventory to be purchased, photos of facilities to be upgraded or other documentation that will provide support for a quality application. Did the cash flow projections reflect the use of funds? This will detail how the use of project funds will impact sales and expenses, and whether the business will have positive cash flow at the end of a year.
- Does the application have a written project narrative that reflects the use of the grant funds? The written narrative and the cash flow projections, or narrative in dollars, should describe the same project development.

Business Plan Requirement

All applications for the Indian Equity Fund must include a comprehensive business plan. The business plan serves as a critical component of the application review process, providing an in-depth understanding of the applicant's business operations, strategies and projections. It offers reviewers essential insights into the viability and potential for success that cannot be fully captured in the application form alone. Applications submitted without a business plan will be deemed incomplete and will not be forwarded for review.

A comprehensive business plan will typically include an executive summary; company description; market analysis; organization and management structure; service or

product line details; marketing and sales strategies; funding requests; use of funds, a strengths, weaknesses, opportunities and threats analysis; and detailed financial projections. Applicants should note that, based on the size and scale of their business, some of the sections may not fully apply to their business plan. If there are elements of the business plan that are not needed for the business, please reach out to Commerce staff for guidance.

Applicant Business Experience

Does the applicant have experience in the business that is proposed in the application? If the applicant doesn't have experience, has the applicant demonstrated in the application that they have the capacity to endure a business startup and make sustainable business decisions?

Financial Projections

Are the cash flow projections convincing and understandable? For established businesses, have the most current financials been provided and explained?

Operations

Are the operational aspects such as partners, suppliers, production costs, key resources, and pricing structure of the business identified in the application?

Marketing Plan

What are the products and services that the value proposition is built around? Who is the target market and customer segment? How do the target market and the value proposition match?

Match Quality

Is the match machinery, equipment, furniture, or fixtures? Is the match land/buildings, inventory, accounts receivable or other assets dedicated to the business? What is the market value, unpaid balance and depreciated cost of these items? If using a vehicle as

match, equity must be documented. For example, if a business vehicle has a Kelley Blue Book value of \$18,000 and the applicant has an unpaid balance of \$12,000, then the in-kind match of the vehicle is \$6,000. For vehicles or large equipment used as match, e.g., trailers or tractors, in addition to documentation of equity, applicants must provide current photographs of the vehicle and a copy of the vehicle's title and/or registration.

Financial Need

The fund is designed to assist new business startups and/or growing small businesses that demonstrate financial need in their applications.

Applicant Financial Capacity

The IEF operates strictly on a reimbursement basis, meaning grant funds are disbursed after eligible expenses have been incurred and paid for by the awardee. Therefore, applicants are strongly advised that they must have the immediate financial capacity, either through existing cash reserves or the ability to secure a loan, to make all approved purchases as outlined in their application, prior to seeking reimbursement. This critical step ensures that, if awarded, funds can be effectively utilized, and projects can move forward as intended. Failure to demonstrate this capacity may prevent the successful utilization of the grant award.

Previous Recipients

An applicant that has previously received an IEF Small Business Grant will rank less competitively than other applicants who have not received a previous award. In addition, an applicant who was a previous recipient must provide a status update of the business and meet one of the criteria below in their application:

- New technology
- A new product or line of products
- A new service or services

K. Grant Notification and Contract

Following the closure of the application cycle, applications will be reviewed for the next 30-45 days. Recommendations are forwarded to the Commerce director and governor for final funding approval. This review and approval process can take anywhere from 30-90 days depending on the number of applications received. Once applicants have been notified of funding decisions, Commerce will begin the contracting process with grant recipients.

L. Disbursement of Funds

Reimbursement

Grant funds are paid on a reimbursement basis. Grant funds are intended to be expended within one year of the award. Grant funds may be reimbursed to the grantee after the grantee has submitted accurate and complete copies of the following to Commerce:

- a) A W-9
- b) Banking information
- c) Proof of purchase for reimbursement, including bill of sale, printed receipts or written receipts accompanied by photos of the purchased equipment

In the rare case of an award for working capital, Commerce will determine the proper documentation needed prior to disbursement.

Upfront Disbursement Option

While grant funds are primarily paid on a reimbursement basis, as outlined in Section M, Commerce recognizes that initial capital requirements can be a barrier for some businesses. To facilitate project implementation and enhance accessibility, an optional phased upfront disbursement model is available for qualifying awardees.

Initial Upfront Disbursement: Up to 20% of Total Award

- a) An awardee may request an initial upfront disbursement of up to 20% of their total awarded IEF grant amount utilizing the IEF Upfront Disbursement Form. Commerce reserves the right to request additional documentation to support the funds requested in the IEF Upfront Disbursement Form.
- b) This initial payment is exclusively for approved project expenditures as detailed in the awardee's application and contract.
- c) Awardees are responsible for utilizing these advanced funds strictly for the approved IEF contract purposes.

Accountability and Compliance

- a) All funds disbursed under this option remain subject to the full terms and conditions of the contract and these guidelines.
- b) Awardees are required to create and maintain meticulous records, e.g., invoices, receipts and pictures, etc., of all expenditures, accessible by Commerce for monitoring and audit purposes.
- c) Any funds advanced that are not utilized for approved project purposes, or for which adequate documentation is not provided, will be subject to immediate repayment to Commerce in accordance with the contract. The grantee may be subject to additional restrictions including but not limited to forfeiting their ability to apply and access other Commerce funding opportunities.

M. Reporting Requirements

Final Report and Survey

The grantee must complete a final report, in the Commerce required format, prior to contract termination. In addition, the grantee may be surveyed after the contract period to obtain follow-up information regarding the impact of the grant on the business.

N. Program Contact

Bryan Singer

Native Entrepreneur Development Specialist

Office of Indian Country Economic Development

Montana Department of Commerce

P.O. Box 200533

301 S. Park Ave.

Helena, MT 59620-0533

Phone: 406-422-8947

Email: bryan.singer@mt.gov

Website: [Indian Equity Fund Small Business Grants](#)