

Indigenous Women Entrepreneurs Program Guidelines 2026

Micro-loan Structure IWE Micro-Loan Fund

Maximum assistance is \$25,000 per applicant to be comprised of a repayable micro- loan minimum 50% (\$12,500) and a non-repayable (grant) contribution up to 45% (\$11,250), applicant must have a minimum of 5% (\$1,250) cash equity or in-kind contributions. The repayable micro-loan with the non-repayable contribution and client equity are issued together for an amount totaling no more than \$25,000.

Interest Rate

All loans are at a fixed rate of interest for the term of the loans. This rate of interest rate will be determined and in place at the time the loan is approved. There is no penalty for early repayment.

SIC requires that the maximum interest rate is prime + 4%. SIC will refer to the Bank of Canada posted rates before issuing loan.

Security

A promissory note will be taken as security, and a general assignment of inventory and assets might be taken when appropriate and available. It is recognized that micro-loans are character loans with limited security available.

Equity

A minimum of 5% cash equity is required from applicants to access the IWE Micro- Loan Funds. SIC may have higher equity requirements but also accept in-kind donations as equity. Other grants may also be considered as equity.

In-kind contributions such as donated furnishings, equipment, computer, vehicle, and other resources provided without charge by applicant may be considered as part of equity, providing these contributions are estimated at fair market value and are deemed essential to the proposed financing package. Because of the difficulties of ascertaining fair value, "sweat equity" is not generally considered eligible.

Repayment Term

The repayment term of the loan for the IWE Micro-Loan Fund is a maximum of 5 years.

Eligibility Requirements

Applicants must meet all eligibility requirements to apply for a micro-loan. This would include evidence of Aboriginal ancestry, proof of available cash equity and fair market value of contributed assets, and evidence of business ownership (not generally required for sole proprietorships), which should be submitted along with their signed loan application.

Eligible Applicants

Indigenous women-owned businesses are defined as businesses where Indigenous (First Nations, Métis, and Inuit) women have effective control of the business (over 50%). Effective control is defined as Indigenous woman having:

- long-term control and management of the business and are actively engaged in the operation, management and ownership of the business;
- an active role in strategic decision making and being involved in elements related to the establishment of priorities and overall operations of the business;
- an integral involvement in the business's ongoing operations including the day-to-day decision making, financial management, human resources, supply management, and/or customer services;
- a majority (over 50%) equity stake in the ownership of the business.

For-profit organizations such as sole proprietorships, partnerships, social enterprises, incorporated companies, corporations or co-operatives are eligible.

Ineligible applicants include not-for-profit organizations and Government or municipal entities. Husband and wife partnerships are considered a 50% - 50% ownership, therefore, in these guidelines, are not considered eligible.

Women-led businesses are not eligible unless they are majority owned (over 50%) by Indigenous Women.

The applicant must fulfill the following requirements in order to be considered eligible for funding:

- the applicant must be an Indigenous Woman and must submit evidence of their Aboriginal ancestry;
- each proposed venture must be financially and technically viable, as well as demonstrate experience and credentials in the business sector and capable management;
- there must be a projected cashflow from the venture sufficient to service the projected debt;
- there must be no violations of the conflict-of-interest policy;
- the applicant must be eighteen (18) years or over;
- generally, credit must be in good standing with any outstanding claims and judgments resolved, however SIC will determine this requirement on a case-by-case basis as it is recognized that some micro-loan applicants may have no or a poor credit rating. This program is meant to assist applicants to establish and improve their credit rating; and
- the applicant must not have the status of bankruptcy.

Eligible Projects

Eligible projects include capital projects involved in the establishment or expansion of a business aimed at generating revenue for the business. Projects must:

- have a reasonable expectation of economic viability;
- demonstrate economic benefits (e.g., number of jobs created or maintained by the project, impact on productivity, project-related revenue growth); and
- demonstrate existing managerial and financial capacity to implement the project.

Eligible Activities

Capital project costs related to the establishment and ongoing operations of a business are eligible.

Eligible Costs

Eligible costs include all costs necessary to carry out the projects deemed reasonable. Quotes for all costs are required. Inventory and working capital are eligible but must be supported by a cashflow statement. Generally, no more than 3 months inventory and/or working capital will be financed at one time, however this can be exceeded depending on circumstances.

Project costs must not have already been incurred without prior approval. Eligible costs include, but are not limited to:

- cost of external labor to complete project;
- capital costs: purchase of machinery, equipment, leasehold improvements, and renovations;
- operating and working capital costs: inventory, pre-paid start-up costs, insurance, etc.;
- marketing and promotional material costs; and
- other costs necessary to support the purpose of the funding.

Advisory expenses are also eligible and could include:

- fees for business advisory services;
- coaching, mentoring, or networking events, workshops, or conference fees;
- business planning/legal/accounting/technical supports; and
- fees associated with participation in business training.

Ineligible Costs

Ineligible costs include but are not limited to:

- renovations to personal living space unless these can be shown as necessary for the business;
- passive real estate transactions (land acquisitions) that do not create employment;
- vehicle purchases which will be primarily utilized for personal use;
- refinancing of existing debt;
- general ongoing operating costs that should be financed through operations;
- acquisitions without independent financial statements and a certified business valuation;
- non-arm's length transactions;
- the purchase of goods or services where a commitment has been made prior to approval of loan without SIC's approval in advance;

- the purchase of any assets for more than the fair market value; and
- the costs of amortization and goodwill.

Other

A financing plan listing the sources and uses of all funds must be included in the application.

Historical Financial statements or tax returns will be required for existing businesses.

Cashflow projections for the first year of operation will be required and a template will be part of the business planning guide. These cashflow projections are vital to establish the cash position of the business each month in the first year and to determine if the business can service the projected loan payments for the micro-loan. SIC requires loan applicants to provide a simplified business plan, including cash flow forecasts for a minimum of two years.

Credit Checks

Credit checks will be conducted on all applicants.

Mentoring and Networking

A peer mentoring component has proven to be one of the best practices is recommended. SIC may make this a condition, on a case-by-case basis, of the IWE Micro-Loan Fund to assist applicants to succeed with their business ventures. This will help clients to establish networking links where women entrepreneurs can meet, socialize, discuss issues, and support each other.

Training

SIC will require mandatory business training courses or workshops to be completed to assist applicants with their bookkeeping and personal budgeting, and this is being recommended. SIC may make this a component of the IWE Micro-Loan Fund requirements, on a case-by-case basis to assist applicants with the skills and training necessary to succeed with their business ventures.

Assessment

The following assessment requirements apply to the IWE Micro-Loan Fund. The basic criteria for assessing proposals includes the following:

Capacity:

- Applicant has capacity to effectively manage proposed business size and scope;
- Applicant has financial capacity to implement project.

Viability:

- Business demonstrates potential viability; and
- Business provides adequate details and description of eligible costs.