

FAQ

of Indigenous Entrepreneurs

You want to start a business but you're unsure about entrepreneurship...
The FNQLEDC answers questions that are most frequently asked by entrepreneurs they have been guiding and supporting.



-  Technical Support on Entrepreneurship and Taxation
-  Women Entrepreneurship
-  Youth Entrepreneurship
-  Social Economy





Match the topics of the questions with the opposite coloured squares!

Am I eligible for subsidies as an Indigenous person? ■

Yes. Indigenous peoples are entitled to all programs delivered to the population at large. In addition, there are two specific programs to fund Indigenous business projects: The Aboriginal Initiative Fund III (AIF III) and the Aboriginal Business Development Program (ABDP). These programs can fund business start-ups, expansion projects or purchases of an existing business.

The FNQLEDC provides support in the preparation of applications for these different programs.

Do I need the authorization of my band council to obtain financing? ■

Depending on the type of project and the place where it will be based (in or outside the community), certain funding providers, like certain local authorities (ex.: municipality), can ask an authorization from the band council.

For information purposes only, the Aboriginal Initiative Fund III (AIF III) requires that all projects be validated by a band council resolution, with the exception of projects whose promoters are women or young people, aged 35 and less.

Can I borrow for my business project while residing on the reserve? ■

Yes. The fact that the asset of a registered Indian cannot be seized on reserve creates a barrier that hinders the economic development of First Nation members, because they can't put their properties as collateral to get a loan from a banking institution.

However, nowadays, there are different ways to circumvent this obstacle, including services provided by Indigenous financial institutions and loan guarantee programs from governments.

Am I eligible for funding programs directed toward Indigenous people if my business partner is non-Indigenous?

Yes. In general, in order for a project to qualify for funding programs directed toward Indigenous people, the Indigenous promoter must hold more than 50% of the ownership of the business and retain effective control over it.

Is it possible to obtain financial support for all types of businesses?

Actually, there are various types of funding available. The extent of funding and the expenses that will be covered will depend on the eligibility criteria set by the various lenders.

Which elements of my project can qualify for financing?

Each lender has its own eligibility criteria for what it can finance or not. In that respect, it is imperative to analyze each project in its entirety.

As an example, for the subsidy programs, eligible costs will often include among others, capital assets and costs related to the elaboration of studies carried out in preparation for the project.

Is it possible to obtain financing for my business project without any capital outlay?

In considering funding for a business project, capital outlay is often requested by lenders.

In general, all lenders ask for a share of investment from the promoters or entrepreneurs, which can vary from 5 to 10% of the financial needs of the projects.

This is relevant for all types of projects, irrespective of the applicant status: women, youths or collective entrepreneurs.

Do I have to levy taxes?

The answer to this question varies depending on the situation of each individual or project. For more information, please consult the “Aboriginal Taxation, 2nd edition” booklet available on the FNQLEDC Website.

Am I going to have to file an income tax return?

Yes. Any income from a commercial activity must be reported, whether it is considered as taxable or non-taxable.

Will I have to pay income taxes?

The answer to this question varies depending on the situation of each individual or project. For more information, please get in touch with the FNQLEDC, so one of our experts may analyze your situation and give you advice on making the right choice for the structure of your business.

Can the FNQLEDC help me with the drafting of my business plan?

Yes. The FNQLEDC offers specific support to help entrepreneurs throughout the various stages of their entrepreneurial journey, including the drafting of the business plan and the search of financing.

Why can't entrepreneurs be offered a turnkey business plan service by the FNQLEDC?

Because it's essential to adequately support the entrepreneurs; the approach of the FNQLEDC focuses on the full involvement of the entrepreneurs in the drafting of their business plan.

The FNQLEDC guides and supports this process by helping entrepreneurs improve their business plan and have a better understanding of the parts that seem less obvious.

Once the entrepreneur has gone through this process, he is able to master his project and develop autonomously.

Towards which clientele is the FNQLEDC directing its services?



The services offered by the FNQLEDC are reserved exclusively for the members of the First Nations in Quebec and in Labrador.

The services of the FNQLEDC are directed towards anyone wishing to start a business or develop the activities of his/her company. Specific services were developed for women, youths and communities wishing to go into business.

Is the FNQLEDC providing services to the urban clientele (outside the Community)?



Yes. The FNQLEDC offers its services to all members of the First Nations in Quebec and in Labrador, regardless of where they live (in or outside the community).

Is it possible to access services from the FNQLEDC even if I do not reside in Wendake or in the vicinity?



Yes. The advisors of the FNQLEDC can travel to the communities and they can also have discussions via video telephony, phone call, or email.

What kind of support can the FNQLEDC provide?



Entrepreneurs are at liberty of contacting the FNQLEDC at any point in time during their entrepreneurial journey.

Whether you're a beginner or an expert, the FNQLEDC will always be there to accompany you in your undertakings.

The FNQLEDC advisors can help you, among other things, to identify opportunities, develop skills, create your business plan, look for financing, answer questions on tax-related issues and support you in the development of partnerships.

Can business projects be financed by the FNQLEDC?



No. The FNQLEDC accompanies and guides the entrepreneurs in their entrepreneurial approaches like in their quest for financing, but it provides no funding for projects.

The FNQLEDC offers guidance for preparing funding applications with other agencies or organizations.

Do I need to pay to access services from the FNQLEDC?



No. The services provided by the FNQLEDC are totally free of charge.

All that will be needed from you by the FNQLEDC advisors is your energy and your enthusiasm to advance your project.

At what point should I contact the FNQLEDC?



If you are reading these lines, it means it's probably time to contact the FNQLEDC. Don't hesitate; the FNQLEDC will know how to help you, in a confidential manner, by helping you take the next steps.

Why is there a specific service for Women Entrepreneurs?



The FNQLEDC provides a service designed specifically for Women Entrepreneurs because women make their way differently through the path of entrepreneurship. With this service, women entrepreneurs can be sure they will not be competing with men and their ways of doing things will be understood and respected.

Is it possible to get financial support for women entrepreneurs?



There are numerous financial incentives for First Nations women. Funding programs are generally offered for projects that can generate income and improve the economic independence of women.



Can women be as successful as men?

FNQLEDC researches show that women are as successful as men. It is found that in general, women are less confident in their entrepreneurial skills. However, once they undertake concrete actions to go into business, the success and the longevity of their business surpass the average.

What exactly is social economy?

The term economy means the concrete production of goods and services by enterprises contributing to the economic development of a surrounding. More specifically, the finality of economic activity is to achieve financial profitability.

This economy is called social when the contribution of enterprises is far greater than the economic contribution. It's not just about making money.

Social economy enterprises sell a product or a service that fulfills a requirement expressed by the community or a group of persons. The profits are reinvested in the business to further employment opportunities or develop new services, for example. Their priority is the person, and not to make money at any cost.

What is the social contribution of social economy enterprises?

The social contribution of enterprises can include:

- ▲ The promotion of values, such as democracy, autonomy, social justice, equity and solidarity,
- ▲ An improvement in the quality of life in a given area,
- ▲ Job creation,
- ▲ Vocational integration and social inclusion of individuals,
- ▲ Empowerment of peoples and communities,
- ▲ Increase of social profitability (social solidarity, community mobilization, accessibility to proximity services, etc.).

What are the judicial forms of business available to these social economy enterprises?

Social economy enterprises can take different judicial forms:

- ▲ Non-profit organization,
- ▲ Mutual.
- ▲ Co-op,

In what sectors of activity are social economy enterprises involved?

Social economy enterprises are active in many sectors of activity:

- ▲ Agri-food,
- ▲ Arts and culture,
- ▲ Retailing,
- ▲ Environment,
- ▲ Socially-committed finance,
- ▲ Real estate and community-based development,
- ▲ Collective infrastructure,
- ▲ Recreation and tourism,
- ▲ Manufacturing,
- ▲ Media and communications,
- ▲ Early childhood,
- ▲ Natural resources,
- ▲ Services to individuals and enterprises,
- ▲ Information and communications technologies (ICT),
- ▲ Transportation,
- ▲ And many more.

Are there any examples of social economy enterprises?

Following are some examples of social economy enterprises that currently exist:

- ▲ Housing co-ops, funeral co-ops, forestry co-operatives, etc.,
- ▲ Home help services,
- ▲ Media (local newspapers, community radio station, Web),
- ▲ Adapted work centres,
- ▲ Early childhood centres,
- ▲ Tourism and recreational organizations.

Identify the social economy enterprises already in operation in First Nations communities?

Following are some examples of social economy enterprises currently operating in First Nations communities:

- ▲ Coopérative Wenicec: Kitcisakik, Algonquin Nation. Construction and forestry
- ▲ Musée des Abénakis: Odanak, Abenaki Nation. Culture and Heritage
- ▲ Comptoir Agoshin: Wendake, Wendat Nation. Community services
- ▲ Coopérative de travail Inter-Nations: Opitciwan, Atikamekw Nation. Forestry

What are the main sources of financing for social economy projects?

There are numerous sources of financing depending on the nature and the sector of activity of the project.

In Quebec, there are organizations specifically designed for the financing of collective entrepreneurship initiatives. Major organizations in this area include: Réseau d'investissement social du Québec (RISQ) and Chantier de l'économie sociale Trust. Collective entrepreneurs can also turn to Caisse d'économie solidaire, a financial institution specialized in loans and financing for social economy enterprises.

For the First Nations, the Aboriginal Initiatives Fund III (AIF III) offers a specific funding component for Indigenous social economy initiatives.

The Team of the FNQLEDC would be happy to answer any further questions!

