

# Norton Sound Economic Development Corporation



## NSED C Small Business Initiative

### 2021 Application

For consideration, this application must be postmarked by **July 15, 2021** or delivered to the NSED C Anchorage office by **4:00 p.m. on July 15, 2021**

**Faxed or e-mailed proposals will not be accepted.**

Early submissions are encouraged.

**Mail or deliver original proposals to:**

**Norton Sound Economic Development Corporation  
2701 Gambell Street, Suite 400 Anchorage, AK 99503**

Additional Contact Information:

**NSED C Unalakleet**

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**NSED C Anchorage**

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## IMPORTANT INFORMATION

### Applicant Eligibility

To be eligible, applicants must:

- Be at least 18 years of age at the time of submittal of the application
- Qualify as a Norton Sound resident as specified in the NSEDC Norton Sound Residency Requirements
- Have no delinquent balances through NSEDC's Consolidated Bulk Fuel program
- Have no outstanding financial liens or judgments against the applicant or the business
- The proposed business concept must directly benefit at least one (1) of NSEDC's fifteen (15) member communities by either expanding or establishing a business
- The applicant must not have previously received a Small Business Initiative (SBI) grant
- Proposed commercial fishing ventures (i.e. vessels, permits, gear, etc.) will not be considered
- Regular, full-time employees of NSEDC, Norton Sound Seafood Products, Siu Alaska Corporation and their affiliate companies are not eligible to apply

Participation in the SBI Program constitutes applicant's full and unconditional agreement to these policies and Administrator's decisions, which are final and binding in all matters related to the SBI Program.

### Submission Deadline

Applications and all supporting documentation must be postmarked or received in NSEDC's Anchorage office by **July 15, 2021**. Applications postmarked or delivered after July 15, 2021 will not be considered.

### Review of Proposals

Complete applications meeting the submission deadline will be reviewed by an independent panel of judges. The first review of applications will be held in August. Finalists will be chosen to advance to the final review that will be held in September or October. Awards for a maximum of three grantees will be announced after the final review. Individual requests and awards are capped at a maximum of \$50,000.

### Fax & Email

Faxed or emailed applications will not be accepted. It is the responsibility of the applicant to ensure that NSEDC receives a signed, original application and all supporting attachments on or before the submission deadline.

### Preparation Costs

All costs incurred by the applicant during the application preparation process shall be the sole responsibility of the applicant.

### **Application Clarification, Modification, and Rejection**

NSEDC reserves the right to modify the requirements for completing this application. In the event of modification, all applicants will be given an opportunity to revise and re-submit their application(s) in the specific areas affected. Submission of an application does not obligate NSEDC to fund the proposed business. All decisions relating to this application and the SBI program process shall be made at the sole discretion of NSEDC. All funding decisions shall be made by an independent panel of judges.

### **Business Implementation**

Award recipients must begin implementing the awarded business plan within six (6) months of notification of the award or the recipient must forfeit the financial award.

NSEDC staff shall determine, at its sole discretion, whether business implementation has commenced.

### **Accessing Grant Funds**

If awarded, NSEDC will provide the grant recipient a Grant Packet to complete. Once the required Grant Agreement documents are received by NSEDC staff, the grant recipient can start accessing the grant funds. Grant funds are available to the recipient through reimbursements for approved expenses outlined in the budget presented in the application or by direct vendor payments for the same approved expenses.

The grant recipient(s) has two years from the date of the award announcement to expend the awarded grant funds. Any unexpended funds shall be forfeited. No exceptions will be made to extend the grant past two years.

If any type of vehicle—including, but not limited to cars, trucks, ATVs, snowmachines or boats—is purchased with the grant funds, and the recipient's business is not implemented within two years, the recipient will be obligated to repay NSEDC any grant funds that were utilized for such purchases and/or forfeit the vehicle to NSEDC.

### **Confidentiality of Application Materials**

All application materials will be reviewed by NSEDC staff to determine completeness and by the SBI Judges as part of the evaluation and award process. NSEDC reserves the right to publicize or otherwise announce SBI applicant names and to provide descriptions of the businesses that are the subject of SBI applications in order to publicize the SBI program, SBI awards, and related events. However, SBI applications will not be released to any other person or entity, except as required by law, and the financial analysis and financial data portions of the application will be treated as being confidential by NSEDC and selected SBI judges.



# NSEDC Small Business Initiative 2021 Application

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Application must be postmarked or delivered by July 15, 2021

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Establish New Business

Expand Existing Business

**Business Name** \_\_\_\_\_

**Applicant Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Total Amount Requested \$** \_\_\_\_\_  
*(Not to exceed \$50,000)*

**For NSEDC Use Only**

Date Received: \_\_\_\_\_

Proposal Number: \_\_\_\_\_

Amount Requested: \$ \_\_\_\_\_

Type of Business: Arts & Crafts, Merchandise, Tourism, Service, Restaurant,

Other \_\_\_\_\_

Proposal Type: Establish

Expand

**Please attach this completed page to your application.**

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***Please type responses to the following questions in a separate Word document and submit with application.***

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Your business plan and budget must address each aspect of and adhere to this 2021 NSEDC Small Business Initiative Application. Please do not exceed the maximum length restrictions as prescribed.

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**Business Objective** (Maximum of 500 words)

Describe the business. What are the service(s) or product(s) provided? How will the proposed business directly benefit NSEDC member communities?

What are the short- and long-term goals of the proposed business venture?

Please describe any relevant experience you have as it relates to your proposed business.

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**Business Analysis** (Maximum of 500 words)

*Consider the following elements while describing your analysis of the market:*

- **Business Description** – What is the target market (describe your customers)? How will your product or service be different from others that serve the same market? Is your target market local or broad-based (in Alaska or the Lower 48)?
- **Marketing** – How will you price your service or product? What factors increase demand and/or help you sell the service or product? Can the intended market-base afford the product on a consistent basis? Is the product part of a trend? If so, please explain the trend and your expectations for future growth.
- **Competition** – Are there other companies or organizations offering the same product or service? How big are the competing companies? Where are they located? Are they successful? How will you distinguish your product or service from other like-products or services in the market (price, quality, service)?

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**Organization and Management** (Maximum of 500 words)

- Form of Organization – Please indicate how your business will be or is currently formed (corporation, partnership, limited liability company (LLC), sole proprietorship, or joint venture) and include ownership, legal and financial implications.

Identify any existing or proposed partners and their affiliation to the business:

Partner Name:  
Business Affiliation:

Partner Name:  
Business Affiliation:

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**Organization Structure & Staffing** (Maximum of 500 words)

Management Plan – Requirements for pre-operations, construction, start-up, and final operations.

- Explain your management and operational experiences as they relate to your business.
- List the positions necessary for operations, pay rate(s), and employee availability to fill these positions.
- Will the jobs created be full-time, part-time or seasonal?
- If necessary, explain your employee training plan.

**Project Action Plan & Implementation Strategies**

Outline the schedule in which the business will be developed over a twelve (12) month period and proposed physical location of the business. *(Please note that grant recipients must begin implementation of their business plan within 6 months of receiving SBI funding.)*

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**Financial Analysis - \$50,000 maximum**

Consider the following when preparing your budget:

- Project Budget – Amount of funding necessary for the business plan. Requirements for pre-operations, construction, start-up, and final operations.
- Sources of Funds – Equity, savings, grants, in-kind (approved or pending) matching funding.
- Key Assumptions – Production costs (labor, utilities, raw materials, transportation, facilities, insurance, and employees), product pricing, production volumes (startup and long-term operations), and sales based on market projections.
- Key Production Factors – Raw materials, utilities, transportation, labor availability, environmental and safety considerations, technical or equipment requirements.

**Financial Data**

Use the following table format in your application for estimated sales, start-up expenses, and recurring expenses for the first year of operation.

- A. **Estimated Sales** – Include all assumptions and compensate for major market trends and inflation. (If needed, provide estimated sales in a separate spreadsheet.)

Product or Service	Unit Cost	Monthly Sales	Total Year Sales
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

- B. **Estimated Expenses** – Itemize all facets of the business that will require cash outlays. (If needed, provide estimated expenses in a separate spreadsheet.)

**Start-up Expenses (Fixed)**

Task or Expense	Unit Cost	Expense	Total Year Expenses
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

**Recurring Expenses (Variable)**

Task or Expense	Unit Cost	Monthly Expense	Total Year Expenses
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

C. **Income Statement (Profit & Loss Statement)** – This statement provides a detailed account of the business over time. Start-up business applicants must provide two years projected income. Existing business applicants must provide one year historical and two-year projected income.

*Note: The below Income Statement is provided as a template. Applicant must provide a separate Income Statement applicable to business plan.*

<b>REVENUE:</b>		
Gross product or service sales		\$ _____
Less: Sales returns and allowances		(\$ _____ )
<b>NET SALES</b>		\$ _____
<b>COST OF GOODS SOLD:</b>		
Beginning Inventory	\$ _____	
Add: Purchases	\$ _____	
	\$ _____	
Less: Ending Inventory	(\$ _____ )	
<b>COST OF GOODS SOLD</b>		\$ _____
<b>GROSS PROFIT (LOSS)</b>		\$ _____
<b>EXPENSES:</b> <i>(include all expenses related to your business)</i>		
Payroll	\$ _____	
Payroll Taxes & Benefits	\$ _____	
Rent	\$ _____	
Advertising	\$ _____	
Freight	\$ _____	
Utilities	\$ _____	
Maintenance	\$ _____	
Supplies	\$ _____	
Insurance	\$ _____	
Legal & Accounting	\$ _____	
Interest	\$ _____	
Depreciation	\$ _____	
Other _____	\$ _____	
<b>TOTAL EXPENSES</b>		\$ _____
<b>NET OPERATING INCOME</b>		\$ _____
<b>OTHER INCOME:</b>		
Other Income _____	\$ _____	
<b>TOTAL OTHER INCOME</b>		\$ _____
<b>NET INCOME (LOSS)</b>		\$ _____



**D. Other Funding, Donors & Partners** – Please list other anticipated sources of funding, including any in-kind contributions.

**Judgments or Liens** – Please describe any past or current legal or financial judgments or liens against the owner or business, if applicable.

**Supporting Documents** – Include any documents that will add support and credibility to your business plan.

- Resumes of management team members
- Copies of leases, rental agreements or titles for office space or land
- Copies of contracts to supply the product/service to customers
- Copies of relevant intellectual property documentation
- Other documents relevant to successful execution of the business plan (quotes, invoices, etc.)

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### **Business Assessment Criteria Used by Independent Panel of Judges**

The following are the Business Assessment Criteria. Each section must be addressed or your proposal will not be eligible for review by the judges:

- 1) **Regional Relevance – Your business concept must address how it will differ from existing approaches within the region and state.** Consider the location and available physical facilities. (Maximum of 500 words)
- 2) **Economic Stimulation & Job Creation – Your business concept must contribute to the stimulation of the economy and the creation of jobs in the targeted community.** How does the business concept stimulate the economy and create employment opportunities, both directly and indirectly? Include tribal, local and/or regional benefits – revenues, employment, increased viability, and preserving, controlling or gaining access to local lands. Also mention any relation to local and regional economic development strategies. Does the concept have the potential for expansion? (Maximum of 500 words)
- 3) **Innovation – Your business concept must present a creative approach and be sustainable.** Businesses seeking to expand existing initiatives are eligible, provided that they exhibit new elements in design or implementation not found in the original initiatives. How does the business concept overcome many obstacles faced in terms of location, communication and high costs? (Maximum of 500 words)
- 4) **Sustainability & Profitability – Your business concept must show how your business will continue to operate and benefit the targeted community beyond the period of the award.** For enhancing or expanding an existing business, please explain the status of current operations – existing products,

current financial status (revenues, profits), current liabilities, long term liabilities, number of current employees and number needed (are additional employees available). For start-up businesses, please include your plan and address each of the operational aspects mentioned above to ensure profitability. Do you have an alternative funding plan or source? (Maximum of 500 words)

**5) Realism & Results – Your business concept must detail a realistic time frame and budget.** Does the business concept have clear and measurable results? What record keeping system do you use or intend to use? (Maximum of 500 words)

**Grant Budget:** Use the below table format to complete a budget spreadsheet (or attach a separate spreadsheet) outlining the item(s) or service(s) you are applying for through this grant. List the item(s) and amount(s) you are requesting to be covered by this grant, personal investment and/or other sources. This budget’s total should match the amount requested on Page 4 of this application.

Budget Line Item	NSEDC	Applicant	Other
TOTAL	\$	\$	\$

## **Certification**

By signing below, I, \_\_\_\_\_, certify that the information I have provided in the 2021 NSEDC Small Business Initiative (SBI) Application is true, correct and complete, and that I meet all of the eligibility requirements for participation in the NSEDC SBI program, and that I understand all of the obligations that acceptance of a grant entails. Specifically, I certify and represent that:

- I qualify as a Norton Sound resident under NSEDC's Norton Sound Residency Guidelines, and that I am willing and able to verify my residency if proof of residency is requested by NSEDC; and
- I do not have any outstanding judgments or liens against myself or my business, and none of my stated partners or affiliates have judgments or liens against themselves or their business.
- I understand that I am responsible for all costs associated with the preparation and presentation of this application.
- I understand that the awarded funds are for the 2021 SBI awardee to be used in the manner described in the application and are not transferable to another party.

Further, if awarded a grant, I understand that I will be required to:

- Sign an agreement with NSEDC, which obligates me to comply with the requirements of the SBI program in exchange for receiving grant funds.
- Implement the business plan within 6 months of receiving the grant.
- Identify and claim the grant income with the Internal Revenue Service and take full responsibility for payment of all applicable taxes on the grant award;
- If cars, trucks, ATVs, snowmachines or boats are purchased with the grant funds, and my business is not implemented within two years, I agree to repay NSEDC any grant funds that were utilized for such purchases.
- Attend financial training to be determined by NSEDC.
- Showcase my business at Kawerak's 2021 Bering Strait Regional Conference, if requested; and
- Provide Quarterly Activities Reports to NSEDC.

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Signature

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Date

**PLEASE COMPLETE THIS PAGE AND INCLUDE IT WITH YOUR APPLICATION**

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Checklist – Please ensure that all sections of the application have been sufficiently addressed and completed.

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- Business Description and Contact Information
- Business Objectives
- Market Analysis
- Organization and Management
- Organization Structure and Staffing
- Project Action Plan and Implementation Strategies
- Financial Data
  - Estimated Sales
  - Estimated Expenses
  - Balance Sheet
  - Income Statement
  - Other Funding, Donors, and Partners
- Judgments and Liens
- Business Assessment Criteria
- Budget Spreadsheet
- Disclaimer and Signature Page

Kawerak Inc.'s Small Business Resource Center, in cooperation with NSEDC, is offering services relating to personal credit, business plan writing, financing, marketing, financial projections, financial record keeping, and development of business ideas. Please contact Thomas Simonsson at (800) 385-3190, Amanda Patrick at (888) 650-2477, or Jenna Homekingkeo at (800) 650-2248 for more information.