

INDIAN AFFAIRS MANUAL

Part 44

Grant Programs

Chapter 1

Indian Business Development Program

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3.1 Purpose. This chapter describes responsibilities and procedures for monitoring and servicing grants to individuals and Indian-owned organizations, corporations, and partnerships. Regulations for the program are at 25 CFR Part 286.

3.2 Scope. Grants Program. Grants are to provide equity in business projects that benefit the economies of Indian reservations. There are no new appropriations for this program.

3.3 Policy. It is the policy of Indian Affairs to:

A. Require Matching Funds. Recipients of grants must provide other funds constituting at least 75 percent of the grant project costs. No BIA guaranteed or insured loans may be used as matching funds.

B. Limit Grants to Tribes. Grants to Tribes or tribally owned enterprises cannot exceed \$250 thousand.

C. Limit Grants to Non-Tribally owned Businesses. Grants to Indian owned businesses, other than tribally owned, cannot exceed \$100 thousand.

D. Limit Number of Grants. No more than one grant can go to a single project.

E. Recover Unused Grant Funds. Any unused grant funds must be returned to BIA.

F. Recover Proceeds of Sale of Business. If a business is sold within three years of receiving a grant, all or a portion of the grant must be returned.

G. Require Reports. Grantees are required to report quarterly on the financial status of their businesses for three years after the grant is made.

3.4 Authority.

A. Statutes. Title 25 U.S.C. §§ 1521 — 1543 [INDIAN BUSINESS GRANTS.]

B. Regulations. Title 25 CFR Part 286 — [INDIAN BUSINESS DEVELOPMENT PROGRAM.]

3.5 Definitions.

A. *Economic enterprise* means any Indian owned commercial, industrial, agricultural, or business activity established or organized for the purpose of profit, provided that eligible Indian ownership constitutes not less than 51 percent of the enterprise.

B. *Indian* means a person who is a member of an Indian or Alaska Native Tribe or a person of Alaska Native descent who is a shareholder in a corporation organized under the Alaska Native Claims Settlement Act (85 Stat. 688), as amended.

C. *Reservation* means Indian reservation, California rancheria, public domain Indian allotment, pueblo, Indian colony, former Indian reservation in Oklahoma, or land held by an Alaska Native corporation under the provisions of the Alaska Native Claims Settlement Act (85 Stat. 688), as amended.

3.6 Responsibilities.

A. Assistant Secretary - Indian Affairs. Within the guidelines issued by the Department, determines which grants are acceptable as submitted to the Secretary.

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B. Director, Bureau of Indian Affairs. Makes recommendations to the Assistant Secretary based upon an evaluation of proposals made by Tribal governments and by Indian Affairs directors and managers under their direct supervision.

C. Deputy Bureau Director, Tribal Services. Establishes policies for the operation of the Indian Business Development Grants Program; and provides technical assistance and acts as liaison between lenders, tribes and Bureau Credit Officers.

D. Regional Directors/Agency Superintendents.

(1) Provide oversight and supervision of grant projects within Regions; and

(2) Advise the Deputy Director, Office of Tribal Services, of any substantial non-compliance with grant terms.

(3) Superintendents receive initial grant applications and advise the Regional Director on the merits of the grant. The Regional Director has authority to award the grant.

E. Credit Officers.

(1) Provide technical assistance to tribes and individuals;

(2) Monitor compliance with grant terms and perform periodic reviews;

(3) Review reports required by 25 CFR 286.22 as needed;

(4) Prepare statistical reports, as required;

(5) Notify applicants whose grants were denied of the reason(s) for the declination and provide applicants with appeal rights and procedures.