



**Shareholder
Small Business Growth Program
2010 Application Packet**

Application Deadline: Monday, March 15, 2010

Submit Application: Afognak Native Corporation
Attn: Shareholder Development
3909 Arctic Boulevard, Suite 400
Anchorage, AK 99503
Fax: (907) 222-9585
Email: shareholderdevelopment@afognak.com

Inquires or Questions: Shareholder Development
Phone: 222-9500
Email: shareholderdevelopment@afognak.com



AFOGNAK NATIVE CORPORATION
Shareholder Small Business Growth Program
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Growth Program Overview

To assist in the startup, maintenance, or expansion of existing Shareholder or Shareholder descendant owned small businesses, the Afognak Native Corporation (“Afognak”) Board of Directors has authorized the Shareholder Small Business Growth Program (“Growth Program”). The Growth Program was designed to help promote and enhance Shareholder and Shareholder descendant owned small business development. The continuation of the Growth Program will be based on its measured success and benefits as determined by the Afognak Native Corporation Board of Directors.

- The Growth Program is a competitive, small business growth program designed to assist Afognak Shareholders and descendants.
- Growth Program funds may be used for the startup, maintenance, or expansion of Shareholder or descendant owned small businesses.
- No more than \$5,000 in Growth Program funds will be awarded to any one Shareholder or descendant or to any one Shareholder or descendant owned business.
- Growth Program awards are taxable.

Who May Apply

1. The Growth Program awards funds to voting Afognak Native Corporation Shareholders and their lineal descendants as defined by Alaska Native Claims Settlement Act (ANCSA) of 1971, including legally adopted children.
2. Applicants must own the identified small business.
3. Qualified employees and Afognak Board members, who also meet all other requirements under “Who May Apply”, are eligible.
4. Previous Growth Program award recipients who have successfully closed out their award by submitting a final report and receipts.

Use of Growth Program Funds

Growth Program funds are available to **individual Shareholders or descendants only** for the startup, maintenance, or expansion of a Shareholder or descendant owned small business. Growth Program funds are to supplement or match, and not replace, alternative funding resources. Growth Program funds may not be used for refinancing of an existing small business loan. **Growth Program funds must be expended within one year of the Growth Program award.** Award recipients must submit a final report and copies of receipts within one year of their award date.

Growth Program Requirements

Growth Program recipients must:

- demonstrate their status as an Afognak Shareholder or descendant;
- own the small business identified in the application;
- demonstrate that their business is established as a legitimate business entity organized for profit under applicable local, state and federal law;



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- demonstrate an acceptable level of knowledge of business operations, sound management skills and financial sustainability;
- agree to specific "Conditions for Acceptance" before receiving Growth Program funds; and
- submit a Program Evaluation Report and copies of receipts within one year of award date.

Growth Program Application Requirements

Afognak Shareholders and descendants must submit a complete application to participate in the Growth Program. A complete Growth Program application includes:

1. Completed Growth Program Application form (see attached form).
2. Signed Conditions for Acceptance form (see attached form).
3. Written Growth Program proposal of no more than three pages in the format described below. Applicants that exceed the three page limit may be docked points in the evaluation process.
4. A copy of a valid business license.
5. Documentation of the organizational structure of the business entity (sole proprietorship, joint venture, limited liability company, corporation, etc.).
6. Completed budget forms.
 - a. Current business owners must include: 1) a business financial statement from the last complete fiscal year *or* the Profit and Loss Statement that is included in the application packet; 2) Income Projection form; and 3) Use of Funds form.
 - b. New start up business owners must include: 1) Income Projection form; and 2) Use of Funds form.
7. A statement verifying eligibility as an Afognak Shareholder or descendant. A signed Application Form that lists the qualifying applicants Shareholder number will suffice in most cases. If you do not know your Shareholder number, please contact Shareholder Relations by phone (907-486-6014 or 800-770-6014) or email (loretta@afognak.com).

The Afognak Growth Program administrator may require additional information as needed to accept, process or evaluate specific Growth Program proposals under this program.

Growth Program Proposal Format

Growth Program proposals should be no more than three pages (excluding the other required documentation listed above), and should be organized in the following format:

1. **Business Plan Summary:** Summarize the major points of your business strategy or plan, discuss specific business goals and objectives and explain why Growth Program funds are needed and how they will be utilized.
2. **Business Description:** Describe your business' goods or services, and how these services are produced or delivered. Review current business and marketing strategies and practices and how these practices provide for a sustainable successful business and benefit customers, Shareholders and/or descendants, and communities. Outlines the business competition in your area.
3. **Business Management:** Describe past, current and future management/business structure, review qualifications, experience and skills in business operations, and explain how the management structure and experience will result in a successful and viable business. Explains your backup plan should your business not be awarded Growth Program funds.

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- 4. Budget and Financial:** Describe your budget and financial plan, including balance sheet at start-up, projections for the first year, and explain how Growth Program funds will be used, matched, or leveraged to improve business opportunity, growth or stability.

Growth Program Application Evaluation Criteria

Growth Program applications will be reviewed and ranked on a competitive basis. Ranking criteria include: overall proposal design and implementation, program need and benefit, business capacity and experience, budget and financial description, long-term economic viability, and employment of other Shareholders/descendants. These criteria are assigned points based on their relative importance as described below.

- 1. Overall proposal design and implementation (15 points)**

Proposals should demonstrate an understanding of the Growth Program requirements and objectives, and present, a well-defined strategy/plan for improving or developing business capacity, opportunities and experience. Program Requirements (page 1) and Program Application Requirements (page 2) criteria are met.

- 2. Business Case: a well-defined plan that meets a need and offers benefit (25 points)**

Afognak seeks projects that demonstrate the benefits and market strategies for promoting businesses and greater economic opportunity for Shareholders and descendants, including details of the relationship between business services and meeting clearly defined customer, Shareholder and/or community needs.

- 3. Business capacity and experience (20 points)**

Afognak seeks projects in which the businesses and/or owners or managers have demonstrated experience, qualifications and/or a past performance that demonstrates the potential for future success.

- 4. Financial viability (20 points)**

Proposals must provide a clear, thought-out budget and financial strategy and include a clear description for how Growth Program funds will be utilized to leverage other financial resources and/or improve benefits that Afognak Shareholders will receive.

- 5. Long-term economic viability (10 points)**

A strong proposal will convey the long-term economic viability of the business, identify how the business will continue beyond Growth Program funding and present a good financial plan and business strategy for ongoing success. Applicants explained their back up plan if they are not awarded funding.

- 6. Employs other Shareholders/descendants (10 points)**

Afognak seeks to encourage employment of its Shareholders/descendants. Strong proposals will demonstrate a greater economic impact by employing other Afognak Shareholders/descendants.

Application Deadline

The Growth Program applications, including application form, and all required documentation, must be received **on or before March 15, 2010**. Applications received after the deadline will not be accepted.

Applications can be submitted by mail, fax or dropped off in person to the Kodiak or Anchorage office. Contact Shareholder Development or visit the Afognak website (www.afognak.com) for an electronic version of the application packet.



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Growth Program Awards

The Afognak Board of Directors, through an external review panel, will evaluate the Growth Program applications on a competitive basis. Applications will be evaluated using the Growth Program Application evaluation criteria listed on page 3 of the application packet. Afognak in its sole discretion will determine whether the applicant has satisfactorily met the program requirements and will make the final decision on which applications will receive funding. All applicants will be notified if their application was awarded or not.

Program Reporting Requirements

Growth Program participants are required to maintain financial data, accounting reports and business operations information and submit a Program Evaluation Report Form upon expenditure of the Growth Program funds. This information is necessary to enable Afognak to adequately measure and analyze the success, benefits and development of the Growth Program.

Growth Program funds must be expended within one year of the award date. Copies of receipts verifying that the Growth Program funds were used for the intended purpose must be attached to the recipients report. Growth Program recipients, who fail to submit a completed Program Evaluation Report Form within twelve months of receiving Growth Program funds, will not be eligible to participate in the program for the next award cycle. An example Program Evaluation Report Form is included in the application packet so applicants are aware of the programs reporting requirements.

Application Checklist

- Signed Growth Program Application Form (see attached form on page 5 of this packet).
- Written Growth Program proposal of no more than three pages in the format described in the "Growth Program Proposal Format" section on page 2 of this packet. Applicants that exceed the three page limit may be docked points in the evaluation process.
- A copy of a valid business license.
- Documentation of the organizational structure of the business entity (sole proprietorship, joint venture, Limited Liability Company, corporation, etc.)
- Current Business Owners must include the following financial information:
 - Business Financial Statement from the last complete fiscal year *or* the Profit and Loss Statement (page 6 of the application packet)
 - Income Projection form (page 7 of the application packet); and
 - Use of Funds form (page 8 of the application packet).
- Start Up Business Owners must include the following financial information:
 - Income Projection form (page 7 of the application packet); and
 - Use of Funds form (page 8 of the application packet).
- A statement verifying eligibility as an Afognak Shareholder or descendant (a signed application form that includes an Afognak Shareholder number will suffice in most cases).
- Signed Conditions for Acceptance form (see form on page 9 of this packet).

Afognak



AFOGNAK NATIVE CORPORATION Shareholder Small Business Growth Program

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Application Form

Business Proposal Title: _____

Shareholder/Descendant Applicant Information

Name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone: (____) _____ Fax: (____) _____ Email: _____

Are you: Afognak Shareholder Afognak Descendant Shareholder Number _____
(If descendant provide name and Shareholder # of parent)

Are you: Owner of the Business Identified Below (percentage of ownership: _____)

Small Business Information

Name: _____

Contact Name: _____ Title: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone: (____) _____ Fax: (____) _____ Email: _____

Amount of Growth Program Funds Requested (amount requested cannot exceed \$5,000): \$ _____

Number of Afognak Shareholders / descendants employed by your business (not including you): _____

Briefly describe how you plan to use Growth Program funds to grow, maintain or expand your small business:

I, the undersigned, hereby certify that I am an Afognak Native Corporation Shareholder or lineal descendant of an Afognak Native Corporation Shareholder and that the statements herein are true and complete to the best of my knowledge.

Signature

Date

Existing Businesses Form: Profit & Loss Statement

Applicants that are applying for funds to support an existing business can either complete this form or submit a financial statement for the business' most recent fiscal year. This form helps you to outline the profit and loss of your business during your most recent fiscal year.

Business Name: _____
Time Period Being Reported (e.g. 01/01/09 - 12/31/09): _____

Revenue	Assumptions *	Annual Amount	
Gross Sales (total amount of sales)			
Gross Sales			0

Cost of Goods Sold	Assumptions *	Annual Amount	
Inventory			
Freight			
Other			
Other			
<i>** Note: Leave blank if the cost of goods sold does not apply to your business.</i>			
Cost of Goods Sold			0
Gross Profit (Loss)			0

Expenses	Assumptions *	Annual Amount	
Advertising			
Bank Charges			
Commissions			
Wages / Salary's			
Dues and Subscriptions			
Insurance			
Interest			
Legal and Professional Fees			
Licenses and Fees			
Miscellaneous			
Office Expense			
Payroll Taxes			
Postage			
Rent			
Repairs and Maintenance			
Supplies			
Telephone			
Travel			
Utilities			
Vehicle Expenses			
Other			
Other			
<i>** Note: Leave blank if the expense does not apply to your business.</i>			
Total Expenses			0

Other Income	Assumptions *	Annual Amount	
Gain (Loss) on Sale of Assets			
Interest Income			
Other			
Total Other Income			0
Net Income (Loss)			0

** In the Assumptions column please include a simple discription of how you caculated the annual amount in each row. For example, for Utilities you might put: \$200/month x 12 = \$2,400.*

Existing & New Businesses Form: 2010 Projections

This form is to be completed by all applicants. This form helps to project or estimate what income and expenses (costs) your business will have for the next 12 months.

Business Name: _____

Time Period Being Reported (e.g. 01/01/10 - 12/31/10): _____

Revenue	Assumptions *	Annual Amount
Gross Sales (total amount of sales)		
Gross Sales		0

Cost of Goods Sold	Assumptions *	Annual Amount
Inventory		
Freight		
Other		
Other		

*** Note: Leave blank if the cost of goods sold does not apply to your business.*

Cost of Goods Sold 0

Gross Profit (Loss) 0

Expenses	Assumptions *	Annual Amount
Advertising		
Bank Charges		
Commissions		
Wages / Salary's		
Dues and Subscriptions		
Insurance		
Interest		
Legal and Professional Fees		
Licenses and Fees		
Miscellaneous		
Office Expense		
Payroll Taxes		
Postage		
Rent		
Repairs and Maintenance		
Supplies		
Telephone		
Travel		
Utilities		
Vehicle Expenses		
Other		
Other		

*** Note: Leave blank if the expense does not apply to your business.*

Total Expenses 0

Other Income	Assumptions *	Annual Amount
Gain (Loss) on Sale of Assets		
Interest Income		
Other		

Total Other Income 0

Net Income (Loss) 0

** In the Assumptions column please include a simple discription of how you caculated the annual amount in each row. For example, for Utilities you might put: \$200/month x 12 = \$2,400.*

Existing & New Businesses Form: Use of Funds

This form is to be completed by all applicants. This form helps you to describe how much funds you need and what they will be used for.

Business Name: _____

Maximum Award Amount is \$5,000. Please list total needed, even if it exceeds \$5,000.

Description of What Funds Will Be Used For:	Amount
1.)	
2.)	
3.)	
4.)	
5.)	
6.)	
7.)	
8.)	
9.)	
10.)	
11.)	
12.)	
13.)	
14.)	
15.)	
<i>Example: Printing 1,000 tri-fold brochures to market lodge.</i>	

Total Funds Needed

0

Source of Funds:
Personal Commitment
Donors and/or Partners
Bank Loans
Other: _____

Total Funds Committed

Amount

0

Funds Needed:

Total Remaining Funds Needed

0

Total Funds Requested from the Growth Program

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Conditions for Acceptance

Before Afognak Native Corporation (“Afognak”) will consider a proposal or award funds under the Shareholder Small Business Growth Program (“Growth Program”) applicants must certify that they agree to the following Conditions for Acceptance:

1. **Certification of Application Accuracy:** Applicant certifies that all facts, figures, and representations made and provided in the applicant’s Growth Program application and proposal are true, correct, and consistent with the purposes and requirements of the Growth Program. All records necessary to substantiate the applicant’s Growth Program application and proposal, if not provided, will be available upon request as deemed necessary and appropriate by Afognak.
2. **Use of Growth Program Funds:** Applicant will use Growth Program funds for lawful business purposes as specified in the applicant’s Growth Program proposal and as required by all applicable local, state and federal laws.
3. **Business License:** Applicant must have a valid business license and must be in good standing under all applicable local and state laws, unless specifically exempted under such laws.
4. **Maintenance of Records:** Applicant will maintain reasonable, accurate and timely financial records necessary to document the beneficial use and expenditure of Growth Program funds for the intended purposes of the Growth Program and to demonstrate proper use of such funds consistent with the applicant’s Growth Program application. Such financial records shall be available for inspection and production upon request as deemed necessary and appropriate by Afognak.
5. **Program Reporting:** Applicant will maintain financial data, accounting reports and business operations information and submit a Program Evaluation and Performance Report, upon expenditure of the Growth Program funds, and provide information that Afognak may require to measure and analyze the success, benefits and development of the Shareholder Small Business Growth Program.
6. **Insurance:** Applicant should, at all times during the use of these funds at its cost and expense, buy and maintain sufficient Commercial General Liability insurance.
7. **Indemnity:** To the fullest extent permitted by law, applicant will indemnify, defend and hold harmless Afognak, and their respective representatives, shareholders, affiliates, agents, and employees for and against any loss, suit, liability, claim, damage, or expense, whether or not involving a third-party claim, arising, directly or indirectly, from or in connection with, applicant’s use of Growth Program funds.
8. **Afognak Shall Not be Named:** Applicant will not name Afognak, or their respective representatives, affiliates, or agents in any suit, arbitration, or legal matter; any loan, guaranty, credit, note, application, agreement, contract or any other similarly related transactional document; any advertisement, promotion or marketing production, without the written approval of the Afognak Board of Directors or otherwise bind or indebt Afognak in anyway.

Certification of Conditions for Acceptance

I agree to be bound by the Conditions for Acceptance contained herein.

Signature

Date

Please include this signed Certification of Conditions for Acceptance with your Growth Program application. Failure to provide this Certification of Conditions for Acceptance will result in rejection of your Growth Program application.

Afognak



Native Corporation

AFOGNAK NATIVE CORPORATION Shareholder Small Business Growth Program 2010 PROGRAM EVALUATION REPORT FORM

*** *This form should only be completed by applicants after they have received funding.* ***

Program Reporting Requirements

Growth Program Participants are required to maintain financial data, accounting reports and business operations information and submit this Program Evaluation Report form upon expenditure of the Growth Program funds. This information is necessary to enable Afognak to adequately measure and analyze the success, benefits and development of the Growth Program.

Growth Program funds must be expended within one year of the award date. Copies of receipts verifying that your Growth Program funds were used for the intended purpose must be attached to your report. Growth Program participants, who fail to submit a complete program evaluation form within one year of receiving Growth Program funds, will not be eligible to participate in the program for the next award cycle. If necessary, participants may attach additional sheets of paper to fully answer questions.

Program Reporting Information

Participant Name: _____ Date this report submitted: _____

Date of fund expenditure: _____ (*Attach copies of receipts*)

Number of Afognak Shareholders/descendants employed by your business (excluding you): _____

Did you realize an increase in business productivity as a result of your participation in the Growth Program? Yes No Please explain:

Did you realize an increase in business earnings as a result of your participation in the Growth Program? Yes No Please explain:

Afognak



**AFOGNAK NATIVE CORPORATION
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2010 PROGRAM EVALUATION REPORT FORM**

Please describe in detail how you used the Growth Program funds.

How has this program benefited you as a shareholder or descendant of Afognak?

Participant's Signature

Date

Please submit report to:

Afognak Native Corporation
Attn: Shareholder Development
3909 Arctic Boulevard, Suite 400
Anchorage, AK 99503
Phone: 907-222-9500
Fax: (907) 222-9585
Email: shareholderdevelopment@afognak.com

***** Attach copies of your Growth Program Receipts *****