

**REDDING RANCHERIA  
TRIBAL GOVERNMENT POLICIES**

**Chapter TP 7-1100**

**Small Business Grants Program Policy**

**April 17, 2012**



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SECTION 1: PURPOSE

To enhance the economic well being and self determination of the Redding Rancheria by providing support for the development of small businesses by tribal members.

SECTION 2: BACKGROUND AND INTENT

The Redding Rancheria supports employment of all types through education and training, as well as incentives and preference in hiring in the case of employment with the Redding Rancheria and its entities. The Redding Rancheria also supports self employment as an alternative and encourages members who prefer self-employment to develop or acquire small businesses.

The program is deemed necessary by the Rancheria to curb historic patterns with regard to tribal economic development, and to ensure the future success of the Tribe. The program serves a core and essential government function of the Rancheria and transcends individual financial need. The assistance provided under this program is designed to satisfy an overall long range need of the community and not merely an individual short term need of the recipient.

As of the establishment of this program, there are relatively few tribal member-owned businesses whether on or off the reservation. Also, as of the establishment of this program, unemployment among tribal members continues to exceed the national average. While gaming has provided some financial relief for members over the past few years, it has in some cases hurt the Tribe's goal of member employment. The Tribe believes that employment skills are critical to the long term success of the Tribe, independent of individual monetary needs of the members. Fostering member owned business is hoped to encourage the maintenance and growth of such skills despite the potential tendency to rely solely on the success of tribal gaming.

The Rancheria has determined that the inability of members to obtain financing for business ventures is a major obstacle for the creation of member-owned businesses, and that tribal members have not had significant access to commercial lenders and loans, in light of the historic financial and economic conditions of the Tribe.

Prior to May 1, 1993, 55 percent of the tribal members were unemployed. Forty-five percent received some form of public assistance, including AFDC, Supplemental Security Income, Food Stamps, and MediCal. In 2000, 39 tribal households had family incomes at or below 80 percent of the median household income for Shasta County. Thirty-nine households had family incomes at or below 100 percent of the median household income. Ten households had incomes at or below 120 percent of the median family income. Families with these annual incomes qualified as low-and moderate-income families for purposes of housing assistance available through HUD.

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To the best the Rancheria's knowledge, few tribal members have been able to obtain commercial financing for an on or off reservation business in the past several years. Because the Redding Rancheria lands have been diminished, the Tribe's goal of self-determination must, to a greater extent than some large land based tribes, extend beyond its reservation borders. The Rancheria has determined that the development and promotion of business ownership among tribal members, both on and off reservation, will enhance the long term interests of the Redding Rancheria. Through the Small Business Grant Program, the Tribe can select and support those business development opportunities that it determines, in the exercise of its sovereign discretion, are likely to strengthen the Redding Rancheria tribal community. The program enables the Rancheria to focus on those projects that will foster economic self-reliance, self-sufficiency and business knowledge, skills and experience among the membership. These things will not only benefit small businesses, but can also be used to assist the Redding Rancheria in managing tribal businesses.

The program is intended to encourage members who wish to take on the risk associated with small business development, by helping to reduce, through the grant program, the amounts that must be borrowed or risked by the member in the endeavor.

The program is intended to improve the general welfare of the Redding Rancheria by providing small business capital to entrepreneurs who would otherwise be unable or unwilling to dedicate the resources necessary to operate tribal member-owned businesses. The Rancheria has determined that the long term impact is expected to be a stable base of independently owned tribal member businesses.

The Redding Rancheria intends that all programs authorized herein are authorized pursuant to the Redding Rancheria General Welfare Ordinance of 2007 and shall be administered in accordance and compliance therewith. Accordingly, assistance provided in accordance with this policy is intended to qualify for favorable tax treatment to the fullest extent permitted under the general welfare doctrine.

### SECTION 3: DEFINITIONS

As used within this chapter, the following terms shall mean:

- (a) Administrator: The Chief Executive Officer of the Redding Rancheria or authorized designee.
- (b) Chief Executive Officer (CEO): The Chief Executive Officer of the Redding Rancheria.
- (c) Tribe: The Redding Rancheria, a federally recognized Native American tribe, in Redding, California.

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- (d) Tribal Court: The Redding Rancheria Tribal Court.

#### SECTION 4: DELEGATED AUTHORITY

The Chief Executive Officer is hereby delegated all administrative authority to carry out the day-to-day operations of the program, in accordance with this policy. Such authority shall include but not be limited to:

- (a) Recommending to the Tribal Council such policy decisions necessary to assure the efficient and effective administration of the program in accordance with its stated purpose.
- (b) Recommending to the Tribal Council such actions related to program services as are appropriate, for which authority has not been delegated within this policy.
- (c) Making provisions for disbursement of program funds in accordance with this policy.
- (d) Coordinating with, obtaining assistance of, and providing administrative direction to third parties engaged by the Redding Rancheria to assist in the administration of the program, including, but not limited to legal counsel, accountants, advisors and consultants.
- (e) Implementing such operating procedures as are required to assure effective day-to-day activities and services in the administration of the program, and publishing information for use by eligible members on how to apply for and use the program.
- (f) Adopting and amending appropriate forms for application and other documents required for the proper administration of the program.
- (g) Acting as program administrator and to delegate to other officers and employees, in writing, the authority to act and sign on behalf of the CEO for this purpose in order to carry out the program.
- (h) Establishing appropriate training and/or technical assistance programs to assure that eligible members can maximize the benefits of the program.
- (i) Providing information to members regarding their rights and options, taxation issues, the maximization of program benefits and other information pertinent to the program.

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- (j) Providing for reports to the Tribal Council as to the status of the program, eligible participants and other information required by the Tribal Council.
- (k) Recommending appropriations for the program in accordance with plans adopted by the Tribal Council and/or the membership.
- (l) Initiating collection and legal proceedings as necessary to protect the Tribe's interests with regard to program funds for which the recipient is in material breach of the program.

**SECTION 5: AUTHORIZED PROGRAMS AND SERVICES**

There is hereby authorized, subject to the availability of appropriations, a Small Business Grants Program that provides for funds to help support small business entrepreneurship by Tribal members as set forth within this policy. Expenses authorized for payment or reimbursement shall be as set forth herein or as otherwise provided within the annual Tribal budget, and shall include:

- (a) Grant awards of up to the amount approved in the annual budget per member business.
- (b) Consecutive grant awards of up to the amount approved in the annual budget to existing member businesses may be made upon a member meeting program requirements.

**SECTION 6: ELIGIBILITY**

- (a) Applicants must be Redding Rancheria members 18 years of age and older.
- (b) Eligible applications must be received prior to the deadline announced within the notice, and include the following:
  - (1) Cover letter including a description of how funds will be used and amount requested.
  - (2) A proper business plan shall include, as applicable, information such as:
    - (A) The particulars of member ownership, i.e. joint ownership, partners, etc.
    - (B) Form of business organization

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- (C) Narrative description of the business
- (D) Qualifications of the owner of the business
- (E) Operating plans to include but not limited to:
  - (i) Operating cash and 3 year profit projections
  - (ii) Detailed plans of use of program funds
- (3) First year's budget.
- (4) A description of how the proposed business would have a positive long term impact on the Redding Rancheria (through the attainment of self-determination, self-sufficiency, diversification and reduced reliance of gaming, membership skills, employment or otherwise).
- (c) Members who have received an initial grant may be awarded a consecutive grant if the member presents proof of the business operation and an updated business plan.
- (d) Applicants may be required to complete course work deemed by the Administrator to be helpful or essential to the success of the proposed venture.
- (e) Applicants may be required to pledge a specified level of personal assets or guarantees toward the project.
- (f) Applicants may be required to submit personal financial statements satisfactory to the Administrator.
- (g) The Administrator may prioritize grants on the basis of expected contribution to the long term success and self-determination of the Rancheria. Proximity to Rancheria lands, and/or degree of need of the applicant.
- (h) A grant, when awarded, will specify obligations of the grant recipient including an agreement to use funds consistent with the business plan and the program guidelines and rules.
- (i) A grantee may not sell a tribal supported business during the term of the grant agreement.



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- (j) Members who have already received a small business grant may reapply for a new grant ten years after receiving the initial small business grant award. This application may be for the original business that the grant was applied for or a different business.

SECTION 7: GENERAL PROVISIONS

- (a) Grant applicants are required to submit applications to be considered for a grant award.
- (b) Application deadlines will be announced via written notice to all tribal members.
- (c) Submission of applications will be made to the Administrator or authorized designee as provided within the notice.
- (d) Tribal Council or a designated committee will decide which applications are eligible for funding.
- (e) If the number of qualified applicants exceeds the amount of grant monies available, funding decisions will be made using a random drawing.
- (f) Funded applicants are required to submit a status report annually after receiving award to the Tribal Council to be eligible for additional year funding.
- (g) Related business receipts must be turned in one year after recipient receives the grant otherwise the payback provision will apply.

SECTION 8: MISCELLANEOUS PROVISIONS

- (a) No Entitlements Intended. The programs authorized pursuant to this policy are not entitlement programs. The Tribe has made provision to fund the program by establishing the funds for the program within the tribal budget, but the program may be changed or eliminated as determined to be necessary or appropriate and no tribal member or his or her estate has any vested interest in potential or unused benefits available under the programs. Neither approval of applications or receipt of benefits of program resources creates a vested right in the applicant, the members of the applicant household, their estate or their heirs at law.
- (b) This program shall be unfunded for tax purposes. The program will be administered in a manner to avoid premature taxation through the IRS doctrines of constructive receipt and economic benefit. Benefits hereunder

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- shall not be subject to alienation, pledge, encumbrance, assignment, garnishment or levy.
- (c) Amounts made available to provide services under this policy shall be limited to the amounts appropriated for the programs and to such limitations as shall be set forth within the tribal budget.
  - (d) Taxes. This program is approved under the provisions of and intended to qualify for treatment under the Redding Rancheria General Welfare Doctrine Ordinance of 2007, as may be later amended. The Tribe intends that the services and/or benefits derived from the programs shall qualify for the favorable tax treatment under the general welfare doctrine.
  - (e) Although the Tribe intends the most favorable income tax treatment available under federal and state tax laws, the Tribe will not provide or pay for professional assistance to complete tax returns or if participants are audited or reviewed by federal or state taxing authorities. The Tribe will not be responsible for or pay any tax penalties or interest incurred by participants in connection with their participation in the program. It is the responsibility of each recipient to consult his or her own tax advisor regarding the taxability or reporting obligations for program benefits.
  - (f) Remedies. In the event a member is in material breach of this policy, including the receipt of any assistance payments not used in accordance with the policy, or for which repayment is required by this policy, the Redding Rancheria shall have the right to reimbursement of amounts made available under this policy, and program benefits will be a deemed loan. Such reimbursement shall be enforceable under the laws of the Redding Rancheria and paid back in full in no less than four months, including offset of any payments owed to the member by the Redding Rancheria, including per capita payments.
  - (g) Tax Reporting. To the extent that a member is in material breach of this policy or a determination is made that services or benefits provided do not constitute assistance that qualifies for favorable tax treatment under the general welfare doctrine, then the Administrator shall file any required reports as to the appropriate taxing authorities regarding such amounts as are not reimbursed within the tax year pursuant to (f) above.
  - (h) No Waiver of Tribal Sovereign Immunity. In establishing the programs authorized pursuant to this policy, the Tribe has not waived its tribal sovereign immunity from unconsented suit and has not consented to suit or the jurisdiction of any state or federal court or administrative body.

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Legislative History:

Originally Adopted by Tribal Council Resolution #080-12-11-07, dated December 11, 2007.

Amended by Tribal Council Resolution #021-02-24-09, dated February 24, 2009.

Amended by Tribal Council Resolution #023-03-10-09, dated March 10, 2009.

Amended by Tribal Council Resolution #020-04-17-12, dated April 17, 2012.