

requesting tribe/consortium and the appropriate DOI non-BIA bureau, the Director will determine whether to award a grant to plan and negotiate for a DOI non-BIA program. The determination will be based upon the complexity of the project, the availability of resources from all other sources, and the relative need of the tribe/consortium to receive such funds for the successful completion of the planning and negotiating activity, as determined by the percentage of tribal resources to total resources as indicated in the latest A-128 audit. All decisions to award or not to award grants as described in paragraphs (e) and (f) of this section are final for the Department.

[61 FR 17832, Apr. 23, 1996]

PARTS 1002–1186 [RESERVED]

PART 1187—INDIAN BUSINESS INCUBATORS PROGRAM

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Subpart A—General Provisions and Eligibility

§ 1187.1 What is the Indian Business Incubators Program (IBIP)?

The Indian Business Incubators Program (IBIP) is a program under the Native American Business Incubators Program Act in which the Office of Indian Economic Development (OIED) provides competitive grants to eligible applicants to establish and operate business incubators that serve Tribal reservation communities. With these grants, business incubators will:

(a) Provide individually tailored business incubation and other business services to Native businesses and Native entrepreneurs to overcome the unique obstacles they confront; and

(b) Provide Native businesses and Native entrepreneurs with the tools necessary to start and grow businesses that offer products and services to reservation communities.

§ 1187.2 What terms do I need to know?

As used in the part:

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Awardee means an eligible applicant receiving a grant under the IBIP.

Business incubator means an organization that:

(1) Provides physical workspace and facilities resources to startups and established businesses; and

(2) Is designed to accelerate the growth and success of businesses through a variety of business support resources and services, including—

- (i) Business education, counseling, and advice regarding access to capital;
- (ii) Networking opportunities;
- (iii) Mentorship opportunities; and
- (iv) Other services intended to aid in developing a business.

Eligible applicant means an applicant eligible to apply for a grant under § 1187.3.

IBIP means the Indian Business Incubator Program (IBIP) under the Native American Business Incubator Program Act.

Indian Tribe has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

Institution of higher education means an educational institution in any State that—

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or persons who meet the requirements of 20 U.S.C. 1091(d);

(2) Is legally authorized within such State to provide a program of education beyond secondary education;

(3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a two-year program that is acceptable for full credit toward such a degree, or awards a degree that is acceptable for admission to a graduate or professional degree program, subject to review and approval by the Secretary;

(4) Is a public or other nonprofit institution; and

(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted pre-accreditation status by such an agency or association that has been recognized by the Secretary for the granting of pre-

accreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

Native American or *Native* means a person who is a member of an Indian Tribe, as defined in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304(d)).

Native business means a business concern that is at least 51-percent owned and controlled by 1 or more Native Americans.

Native entrepreneur means an entrepreneur who is a Native American.

OIED means the Office of Indian Economic Development in the Office of the Assistant Secretary—Indian Affairs.

Reservation means Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*).

Secretary means the Secretary of the Interior.

Tribal college or university means an institution that—

(1) Qualifies for funding under the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 *et seq.*) or the Navajo Community College Act (25 U.S.C. 640a note); or

(2) Is cited in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note).

§ 1187.3 Who is eligible to receive a grant under the IBIP?

To be eligible to receive a grant under the IBIP, an applicant must:

(a) Be able to provide the physical workspace, equipment, and connectivity necessary for Native businesses and Native entrepreneurs to collaborate and conduct business on a local, regional, national, and international level; and

(b) Be one of the following entities:

(1) An Indian Tribe;

(2) A Tribal college or university that will have been operational for not less

than one year before receiving a grant under the IBIP;

(3) An institution of higher education that will have been operational for not less than one year before receiving a grant under the IBIP; or

(4) A Tribal or private nonprofit organization that provides business and financial technical assistance and:

(i) Will have been operational for not less than one year before receiving a grant under the IBIP; and

(ii) Commits to serving one or more reservation communities.

Subpart B—Applying for a Grant

§ 1187.10 How does an eligible applicant apply for a grant under the IBIP?

Each eligible applicant desiring a grant under the IBIP must submit to the Secretary an application as described in the solicitation posted on *www.grants.gov*.

§ 1187.11 What must an application include?

An application for a grant under the IBIP must include:

(a) A certification that the applicant:

(1) Is an eligible applicant;

(2) Has or will designate an executive director or program manager to manage the business incubator; and

(3) Agrees to:

(i) A site evaluation by the Secretary as part of the final selection process;

(ii) An annual programmatic and financial examination for the duration of the grant; and

(iii) To the maximum extent practicable, to remedy any problems identified pursuant to the site evaluation and examination;

(b) A description of the one or more reservation communities to be served by the business incubator;

(c) A three-year plan that describes:

(1) The number of Native businesses and Native entrepreneurs to be participating in the business incubator;

(2) Whether the business incubator will focus on a particular type of business or industry;

(3) A detailed breakdown of the services to be offered to Native businesses and Native entrepreneurs participating in the business incubator; and

(4) A detailed breakdown of the services, if any, to be offered to Native businesses and Native entrepreneurs not participating in the business incubator;

(d) Information demonstrating the effectiveness and experience of the eligible applicant in:

(1) Conducting financial, management, and marketing assistance programs designed to educate or improve the business skills of current or prospective businesses;

(2) Working in and providing services to Native American communities;

(3) Providing assistance to entities conducting business in reservation communities;

(4) Providing technical assistance under Federal business and entrepreneurial development programs for which Native businesses and Native entrepreneurs are eligible; and

(5) Managing finances and staff effectively;

(e) A description of the applicant's non-Federal contributions, in an amount equal to not less than 25 percent of the grant amount requested; and

(f) A site description of the location at which the eligible applicant will provide physical workspace, including a description of the technologies, equipment, and other resources that will be available to Native businesses and Native entrepreneurs participating in the business incubator, if the applicant is in possession of the site, or a written site proposal containing the information in § 1187.12, if the applicant is not yet in possession of the site.

§ 1187.12 What must an applicant include in a written site proposal?

If the applicant is not yet in possession of the site, the applicant must submit a written site proposal with their application that contains:

(a) Sufficient detail for the Secretary to ensure, in the absence of a site visit or video submission, that the proposed site will permit the eligible applicant to meet the requirements of the IBIP; and

(b) A timeline describing when the eligible applicant will be:

(1) In possession of the proposed site; and

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(2) Operating the business incubator at the proposed site.

§ 1187.13 May applicants submit a joint application?

Two or more eligible entities may submit a joint application for a project that combines the resources and expertise of those entities at a physical location dedicated to assisting Native businesses and Native entrepreneurs under the IBIP.

§ 1187.14 What additional items must a joint application include?

A joint application must:

(a) Contain a certification that each participant of the joint project is an eligible entity under § 1187.3;

(b) Demonstrate that together the participants meet the requirements of § 1187.13; and

(c) Identify which of the entities submitting the joint application will be the lead contact for the purposes of grant management.

Subpart C—Evaluation and Award of Grant Applications

§ 1187.20 How will OIED evaluate each application?

In evaluating each application, OIED will consider:

(a) The ability of the eligible applicant to:

(1) Operate a business incubator that effectively imparts entrepreneurship and business skills to Native businesses and Native entrepreneurs, as demonstrated by the experience and qualifications of the eligible applicant;

(2) Commence providing services within three months; and

(3) Provide quality incubation services to a significant number of Native businesses and Native entrepreneurs or provide such services at geographically remote locations where quality business guidance and counseling is difficult to obtain;

(b) The experience of the eligible applicant in providing services in Native American communities, including in the one or more reservation communities described in the application;

(c) The proposed location of the business incubator; and

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(d) The extent to which a grant award will enable an entity that is already providing business incubation services to appreciably enhance those services.

§ 1187.21 How will OIED evaluate the proposed location of the business incubator?

In evaluating the proposed location of the business incubator, OIED will:

(a) Consider the program goal of achieving broad geographic distribution of business incubators; and

(b) Give priority to eligible applicants that will provide business incubation services on or near the reservation of the one or more communities that were described in the application, except that OIED may give priority to an eligible applicant that is not located on or near the reservation of the one or more communities that were described in the application if OIED determines that:

(1) The location of the business incubator will not prevent the eligible applicant from providing quality business incubation services to Native businesses and Native entrepreneurs from the one or more reservation communities to be served; and

(2) Siting the business incubator in the identified location will serve the interests of the one or more reservation communities to be served.

§ 1187.22 How will OIED conduct the site evaluation?

(a) Before awarding a grant to an eligible applicant, OIED will conduct an evaluation of the proposed site to verify that the applicant has (or will have) the physical workspace, equipment, and connectivity necessary for Native businesses and Native entrepreneurs to collaborate and conduct business on a local, regional, national, and/or international level.

(b) To determine whether the site meets the requirements of paragraph (a) of this section:

(1) If the applicant is in possession of the proposed site, OIED will conduct an on-site visit or review a video submission before awarding the grant.

(2) If the applicant is not yet in possession of the proposed site and has submitted a written site proposal,

OIED will review the written site proposal before awarding the grant and will conduct an on-site visit or review a video submission to ensure the site is consistent with the written site proposal no later than one year after awarding the grant. If OIED determines the site is not consistent with the written site proposal, OIED will use that information in determining the ongoing eligibility of the applicant under § 1187.50.

Subpart D—Grant Awards

§ 1187.30 How will OIED disburse the grant funds to awardees?

OIED will disburse grant funds awarded to eligible applicants in annual installments except that, OIED may make disbursements more frequently, on request by the applicant, as long as disbursements are not made more frequently than quarterly.

§ 1187.31 May OIED award a grant that is duplicative of Federal funding from another source?

OIED may not award a grant under the IBIP that is duplicative of existing Federal funding from another source. Duplicative funding means any funding from other Federal grants that would overlap with the IBIP grant for the same activities described in the applicant's IBIP proposal.

Subpart E—Grant Term and Conditions

§ 1187.40 How long is the grant term?

Each grant awarded under the IBIP is for a term of three years.

§ 1187.41 May OIED renew a grant award?

(a) OIED may renew a grant award under the IBIP for one additional three-year term. In determining whether to renew a grant award, OIED will consider for the awardee:

(1) The results of the annual evaluation of the awardee conducted under § 1187.50;

(2) The performance of the awardee's business incubator, as compared to the performance of other business incubators receiving grants under the IBIP;

(3) Whether the awardee continues to be eligible for the IBIP; and

(4) The evaluation consideration for initial awards under § 1187.20.

(b) Awardees that receive a grant renewal must provide non-Federal contributions in an amount not less than 33 percent of the total amount of the grant. Failure to provide the non-Federal contribution will result in non-compliance and OIED withholding of funds, unless OIED waives the requirement under § 1187.43.

§ 1187.42 What may awardees use grant funds for?

An awardee may use grant amounts for any or all of the following purposes:

(a) To provide physical workspace and facilities for Native businesses and Native entrepreneurs participating in the business incubator;

(b) To establish partnerships with other institutions and entities to provide comprehensive business incubation services to Native businesses and Native entrepreneurs participating in the business incubator; and

(c) For any other uses typically associated with business incubators that OIED determines to be appropriate and consistent with the purposes of the IBIP.

§ 1187.43 May OIED waive the requirement for the non-Federal contribution?

OIED may waive the requirement for the non-Federal contribution, in whole or in part, for one or more years of the initial IBIP grant award if OIED determines that the waiver is appropriate based on:

(a) The awardee's ability to provide non-Federal contributions;

(b) The quality of business incubation services; and

(c) The likelihood that one or more reservation communities served by the awardee will not receive similar services elsewhere because of the remoteness or other reasons that inhibit the provision of business and entrepreneurial development services.

§ 1187.44 What minimum requirements must awardees meet?

(a) Each awardee must:

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(1) Offer culturally tailored incubation services to Native businesses and Native entrepreneurs;

(2) Use a competitive process for selecting Native businesses and Native entrepreneurs to participate in the business incubator; however, awardees may still offer technical assistance and advice to Native businesses and Native entrepreneurs on a walk-in basis;

(3) Provide physical workspace that permits Native businesses and Native entrepreneurs to conduct business and collaborate with other Native businesses and Native entrepreneurs;

(4) Provide entrepreneurship and business skills training and education to Native businesses and Native entrepreneurs including:

(i) Financial education, including training and counseling in:

(A) Applying for and securing business credit and investment capital;

(B) Preparing and presenting financial statements; and

(C) Managing cash flow and other financial operations of a business;

(ii) Management education, including training and counseling in planning, organization, staffing, directing, and controlling each major activity or function of a business or startup; and

(iii) Marketing education, including training and counseling in:

(A) Identifying and segmenting domestic and international market opportunities;

(B) Preparing and executing marketing plans;

(C) Locating contract opportunities;

(D) Negotiating contracts; and

(E) Using varying public relations and advertising techniques;

(5) Provide direct mentorship or assistance finding mentors in the industry in which the Native business or Native entrepreneur operates or intends to operate; and

(6) Provide access to networks of potential investors, professionals in the same or similar fields, and other business owners with similar businesses.

(b) Each awardee must leverage technology to the maximum extent practicable to provide Native businesses and Native entrepreneurs with access to the connectivity tools needed to compete and thrive in 21st-century markets.

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§ 1187.45 What reports must the awardee submit?

(a) Not later than one year after the date OIED awards the grant, and then annually for the duration of the grant, the awardee must submit to OIED a report describing the services the awardee provided under the IBIP during the preceding year, including:

(1) A detailed breakdown of the Native businesses and Native entrepreneurs receiving services from the business incubator, including, for the year covered by the report:

(i) The number of Native businesses and Native entrepreneurs participating in or receiving services from the business incubator and the types of services provided to those Native businesses and Native entrepreneurs;

(ii) The number of Native businesses and Native entrepreneurs established and jobs created or maintained; and

(iii) The performance of Native businesses and Native entrepreneurs while participating in the business incubator and after graduation or departure from the business incubator; and

(2) Any other information the Secretary may require to evaluate the performance of a business incubator to ensure appropriate implementation of the IBIP.

(b) To the maximum extent practicable, OIED will not require an awardee to report the information listed in paragraph (a) of this section that the awardee provides to OIED under another program.

(c) OIED will coordinate with the heads of other Federal agencies to ensure that, to the maximum extent practicable, the report content and form under paragraph (a) of this section are consistent with other reporting requirements for Federal programs that provide business and entrepreneurial assistance.

Subpart F—OIED Grant Administration

§ 1187.50 How will OIED evaluate awardees' performance?

Not later than one year after the date on which OIED awards a grant to an eligible applicant under the IBIP, and annually thereafter for the duration of the grant, OIED will conduct an

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evaluation of, and prepare a report on, the awardee, which will:

(a) Describe the performance of the eligible applicant; and

(b) Be used in determining the ongoing eligibility of the eligible applicant.

§ 1187.51 Will OIED facilitate relationships between awardees and educational institutions serving Native American communities?

OIED will facilitate the relationships between awardees and educational institutions serving Native American communities, including Tribal colleges and universities.

§ 1187.52 How will OIED coordinate with other Federal agencies?

OIED will coordinate with the Secretaries of Agriculture, Commerce, and Treasury, and the Administrator of the Small Business Administration to ensure, to the maximum extent practicable, that awardees have the information and materials they need to provide Native businesses and Native entrepreneurs with the information and assistance necessary to apply for business and entrepreneurial development programs administered by those agencies.

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