

(COVID-19)

**REGIONAL RELIEF
AND RECOVERY FUND
COMMUNITY FUTURES
SUPPORTING RURAL COMMUNITIES**



Community Futures
Middlesex 
The Business Help Centre

***Program Guidelines for
Community Futures Stream***

Community Futures Middlesex has been provided with access to just under \$1.0 million from RRRF to lend rural small businesses that continue to be impacted by COVID-19 at 0% from now until December 31 2020.

The maximum value of the loans available through Community Futures Middlesex will be \$40,000. Up to 25% (to a maximum of \$10,000) may be forgivable if 75% of the loan is fully repaid prior to the end of 2022.

The information contained in this document is intended to assist small businesses with completion of a Business Loan Application for the Community Futures Stream of RRRF.

Small businesses located in urban centres or seeking RRRF funding in excess of \$40,000 are encouraged to directly apply for the Regional Stream being administered by FedDev Ontario.

Any questions in relation to the RRRF or eligibility for Community Futures Stream directed by email to info@thebusinesshelpcentre.ca

Regional Relief and Recovery Fund - Program Guidelines

On April 17, 2020, Prime Minister Justin Trudeau announced that Canada's six regional development agencies (RDAs) would deliver \$675 million in financial support to small- and medium-sized enterprises (SMEs) that are unable to access other federal COVID-19 relief measures.

Community Futures Middlesex will deliver the Regional Relief and Recovery Fund (RRRF) within the County of Middlesex (excluding the City of London).

The **RRRF** seeks to support SMEs to address gaps in or supplement other federal relief measures, as well as complement those provided by other levels of government.

In particular, the **RRRF** seeks to provide support to SMEs that:

- Do not qualify for, or have been rejected from, current Government of Canada COVID-19 relief measures.

SMEs will have been expected to have already applied to other Government of Canada emergency credit relief measures, for which they are eligible, including:

- Canada Emergency Business Account (CEBA);
- Business Credit Availability Program (BCAP) – Business Development Bank of Canada (BDC) Co-Lending and Export Development Corporation (EDC) Loan Guarantee Programs;
- BDC COVID-19 Working Capital Loans; as well as,
- Other targeted and sector-specific COVID-19 programs (e.g., funding for Indigenous Entrepreneurs, Farm Credit Canada).

NOTE: If you have received the Canada Emergency Wage Subsidy (CEWS) or the National Research Council Canada Industrial Research Assistance Program (NRC-IRAP) Innovation Assistance Program (IAP), you are eligible under the RRRF for financial support, excluding costs associated with salaries and benefits.

Scope and Objectives

The **RRRF** will provide financial contributions (interest-free loans) to help support fixed operating costs of SMEs, where business revenues have been affected by the COVID-19 pandemic.

Eligibility

1) Applicants

Eligible applicants	Ineligible applicants
<ul style="list-style-type: none"> • Canadian sole proprietor, partnership, or corporation business located within the County of Middlesex (excluding the City of London); • Facing funding pressures with fixed operating costs, as a result of the COVID-19 pandemic; • Have applied to other Government of Canada COVID-19 emergency credit relief measures, for which they are eligible, including: <ul style="list-style-type: none"> ◦ Canada Emergency Business Account (CEBA); ◦ Business Credit Availability Program (BCAP); <ul style="list-style-type: none"> ▪ BDC Co-Lending Program ▪ EDC Loan Guarantee Program ◦ BDC Working Capital Loans; ◦ Other applicable targeted and sector-specific COVID-19 programs (e.g., funding for Indigenous entrepreneurs, Farm Credit Canada); • Planning to continue to operate its business or resume operations; and • A viable business before the COVID-19 pandemic. 	<ul style="list-style-type: none"> • Government organizations or bodies, or entities owned by a government organization or body; • Unions, charitable, religious or fraternal organizations or entities owned by such an organization; • Entities that are structured as a holding company; and • Entities owned by individuals holding political office.

2) Eligible activity

SME funding support for fixed operating costs, where business revenues have been affected by the COVID-19 pandemic.

3) Costs

Eligible costs	Ineligible costs
<p>May include:</p> <ul style="list-style-type: none"> • Capital lease payments for existing equipment and machinery; • Salaries and benefits <ul style="list-style-type: none"> ◦ Will only be considered for support if the business is not eligible or declined support from the Canada Emergency Wage Subsidy or the NRC-IRAP- Innovation Assistance Program for pre-revenue businesses; • Property taxes; • Utilities; 	<ul style="list-style-type: none"> • Any costs deemed not reasonable and/or not directly related to a business' fixed operational expenses; • Monthly mortgage and loan principal payments; • New capital expenditures; • Refinancing of an existing debt; • Costs of amortization and goodwill; and

Eligible costs	Ineligible costs
<ul style="list-style-type: none"> • Bank charges and interest payments; • Professional fees; • Monthly insurance payments; • Rent; <ul style="list-style-type: none"> ◦ Applicants are expected to pursue with their landlord access to the Canadian Emergency Commercial Rent Assistance (CECRA) for small businesses (details on CECRA will be available mid-May); and • Other fixed operating costs applicable to the applicant. 	<ul style="list-style-type: none"> • Acquisition of land and buildings.

Application Process

Applications for funding are accepted on an ongoing basis with no submission deadlines, until the Fund is fully committed.

The application form may be found on our website [here](#).

One Application for Funding per applicant is permitted. Multiple and concurrent applications from the same applicant will not be considered.

Application Review

Community Futures Middlesex will review applications as they are received.

All applications will be screened initially for completeness. **Incomplete applications will not be assessed and will be considered ineligible for funding.**

Applicants with incomplete applications are permitted to re-apply with completed applications including all required documentation.

Complete applications are those that include all prescribed documentation containing all information needed for Community Futures Middlesex to complete the review as outlined in the checklist found on the last page of the application. Complete applications will undergo a **due diligence process** where they are assessed against a number of factors.

Assessment criteria include, but are not limited to:

- Impact of COVID-19 pandemic on business operations;
- Availability of other financial supports (e.g., access to credit at a financial institution and other federal COVID-19 measures);
- Viability of the applicant (i.e., ability to repay the contribution); and
- Economic benefits of RRRF support.

Funding

The contribution amount will be based on the:

- Eligible operating costs (as per Eligible Costs section);
- Extent to which other federal COVID-19 measures have been accessed; and
- Applicant's ability to repay the contribution.

NOTE: Eligible applicants that have received a CEBA loan must first attempt to access the BCAP measures and BDC Working Capital before applying to the RRRF.

Any future assistance received under CEBA (or any other program) must be immediately disclosed to the CFDC. At which point, the the CFDC would become unconditionally repayable with no forgivable portion.

	Community Futures Middlesex RRRF Up to a \$40,000 conditionally repayable interest-free loan.
Type of Loan and Terms	<p>An interest-free loan with opportunity for partial forgiveness of loan amount</p> <p>No payments required until December 31, 2022, but applicant can opt to make payments anytime between January 1, 2021 and December 31, 2022.</p> <p>Up to 25 percent or \$10,000 loan forgiveness is available, provided 75 percent, or up to \$30,000 is paid back by December 31, 2022.</p> <p>If 75 percent of the loan amount is not repaid by December 31, 2022, the balance owing will be converted to a three-year term loan, with interest rates up to 5%, effective January 1, 2023, with no forgivable portion.</p> <p>The full balance of the loan amount must be repaid by no later than December 31, 2025.</p>
Loan Amount	The Loan Amount will be based on a review of eligible and supported fixed operating costs.
Agreement and Disbursements	If an Application for Funding is approved, a Loan Agreement will be executed between the Applicant and Community Futures Middlesex.

Reporting

The SME will be required to submit a **Final Report** that will summarize that applicant's utilization of the funds. The specific expectations will be communicated at a later date.

The SME must submit a copy of their financial statements within one hundred and twenty (120) calendar days of their fiscal year.