



## Regional Relief and Recovery Fund

# Program + Application Guidelines

### 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.

Valley Heartland CFDC will deliver the Regional Relief and Recovery Fund (RRRF) throughout our service territory of Lanark County and North Leeds. The RRRF seeks to support SMEs to address gaps in or supplement other federal relief measures, as well as complement those provided by different 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, delivered by Valley Heartland CFDC, 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, with a focus on assisting sole proprietors and “main street” businesses, such as retail shops, restaurants, corner stores, and businesses of strategic importance to the community.

## Funding Parameters

- Maximum assistance will be \$40,000
- 0% interest and no principal payments until December 31, 2022
- Principal repayments can be voluntarily made at any time
- 25% (not to exceed \$10,000) of any loan can be forgiven provided the Client has paid 75% of the original loan amount prior to December 31, 2022
- If the Client is unable to repay the loan by December 31, 2022, the loan will be converted to a three-year term loan with interest rates up to 5%, effective January 1, 2023
- The full balance must be repaid no later than December 31, 2025

## Eligible Applicants

Priority will be given to sole proprietors and "main street" businesses, such as retail shops, restaurants, corner stores, etc. and businesses of strategic importance to the community.

Eligible applicants must also meet the following criteria:

- established prior to March 1, 2020
- impacted adversely due to the COVID-19 pandemic
- viable and not experiencing financial pressures prior to March 1, 2020
- have attempted to access other federal relief supports and were ineligible, rejected, or require funding for expenses in excess of support already received, with priority given to applicants who were ineligible or rejected from other federal relief supports; and
- have not or will not apply or accept other Government of Canada equivalent support

Ineligible applicants:

- 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.

## Eligible Costs

SME funding support for fixed operating costs, where business revenues have been affected by the COVID-19 pandemic. Loans to cover costs such as rent, salaries, and benefits will only be considered if the applicant is ineligible, rejected, and/or not already receiving assistance for these costs from other federal funding measures.

Eligible Costs for the purposes of the RRRF include those that will help stabilize organizations and mitigate COVID-19 impacts, including:

- rent\*, salaries, and benefits
- taxes
- utilities
- cleaning supplies and additional safety measures
- bank interest/charges and loan repayment (interest)
- professional fees
- insurances; and
- other eligible expenses associated with retooling, rethinking workflows, automation, robotics, developing new markets, etc.

*\*With respect to rent, Applicants are expected to pursue with their landlord access to the Canadian Emergency Commercial Rent Assistance (CECRA) for small businesses.*

Ineligible Costs Include:

- Any costs deemed not reasonable and/or not directly related to a business' fixed operational expenses
- Monthly mortgage and loan payments
- New capital expenditures
- Refinancing of an existing debt
- Costs of amortization and goodwill; and
- Acquisition of land and buildings.

## Priorities

If there is significant demand for the funding available, priority may be given to sole proprietors and "main street" businesses, such as retail shops, restaurants, corner stores, etc. and businesses of strategic importance to the community.

## APPLICATION GUIDELINES

Note: The application is in Portable Document Format (PDF) and will open automatically within Internet Explorer if you click on the link. However, if you are using another browser, right-click on the link and select 'Save target as' or 'Save link as' to download the file to your computer before opening with a PDF reader.

To access the PDF Application for Funding, you must have a PDF reader installed. If you do not already have a reader, there are several PDF readers available on the Internet for PC and MAC users. It is recommended that applicants use Adobe.

### Application guide helpful tips

- Complete all mandatory fields in each section or indicate if a field is not applicable.
- Use only the space provided. The use of point form is acceptable, provided that the information is clear.
- Remember to save your work often.
- Supplementary materials other than those identified in the Application for Funding should not be submitted.
- Use the best available information at the time of completion of the application.
- The information contained in your Application for Funding is subject to the Access to Information Act and the Privacy Act.
- Incomplete Applications, with missing mandatory information or documentation, will not be assessed and will be considered ineligible for funding. Applicants are permitted to re-apply with a completed application for Funding; however, the application will be considered a new application and assessed in the queue of submission.

Applicants are encouraged to contact Valley Heartland CFDC at 613-283-7002 if they have any questions regarding the Application for Funding.

### COVID-19

**Hardships resulting from COVID-19:** Describe the current impact of COVID-19 on your business, or organization, including length of closures, planned or actual layoffs, revenue impacts, etc. Where possible, measure the impact using year-over-year comparative data. If you are a seasonal tourism-oriented business, explain how COVID-19 is expected to impact or has impacted your spring and summer season.

**Access to credit:** Indicate whether your organization has access to other forms of credit (e.g., lines of credit from an existing commercial lender). If not, describe the barriers that exist to accessing commercial financing for working capital.

**Closures related to COVID-19:** Indicate whether your organization had to close completely due to a public health request and/or government directive. Indicate the date of closure, and if you have since reopened.

**Quantifying the impact:** Specify the intended outcomes from accessing financial support through the RRRF, by indicating whether this funding is intended to avoid layoffs or bankruptcy. Also, indicate how many jobs are expected maintained as a result of the funding received.

## Equality & Diversity

The Government of Canada is committed to equality and diversity so that all Canadians have the opportunity to participate in and contribute to the growth of the economy. If your organization does not meet the definitions provided or you do not wish to declare your status, leave the fields blank.

- Federal inclusive growth priorities:
- Women
- Indigenous peoples
- Members of Official Language Minority Communities
- Youth
- Persons with disabilities
- Newcomers to Canada
- Visible minority who own or run an enterprise
- LGBTQ2+

Led or majority led is defined as an enterprise with one or more of the federal inclusive growth priorities groups, with a long-term control and management of the business and an active role in both strategic and day to day decision making.

## Certification

- Certification is the act of signing a formal document to confirm that you are bound by its contents.
- Making a false statement or providing misleading information may result in the Minister exercising any remedy available to him/her at law.
- You must complete and sign the Certification.
- **Checking 'I Agree' provides an authorized signature of your business or organization, certifying the information provided on the application.**