

South Lake Futures Regional Relief and Recovery Fund

Scope and Objectives

The RRRF, delivered by South Lake Community Futures Development Corporation (South Lake Futures), 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.

Eligible applicants

- A registered business located in East Gwillimbury, Georgina, or The Township of Brock;
- 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:
 - Canada Emergency Business Account (CEBA);
 - Business Credit Availability Program (BCAP);
 - 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.

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 federal or provincial political office.

Eligible activity

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

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;• 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">• 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 SMEs within our catchment area that:

- Have been in operation for 2 years or more;
- “Main street” businesses such as retail shops, restaurants, coffee shops, florists, dry cleaners, auto repair and salons;
- Have a personal credit history that can be measured to determine your personal financial health. The maximum eligible loan amount will be based on this measure. [Find out more about your credit report and score basics](#);
- Support the government’s commitment to inclusive growth (i.e., women, Indigenous peoples, youth, persons with disabilities, visible minorities, newcomers, LGBTQ2) and Official Language Minority Communities.

Application process

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

To Apply:

- 1) Complete the Application Form
- 2) Submit the Application Form along with the required attachments to Tom Ross, Business Loans Officer: tross@southlakefutures.ca
- 3) Your application will be reviewed and you will be advised of the decision.

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

Electronic signatures will be accepted on all application documents and loan security documents.

Application review

South Lake Futures 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 South Lake Futures to complete the review. **Information should be accurate, verifiable, relevant and consistent.** 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);
- Economic benefits of RRRF support;
- Priorities as outlined.

Funding

An interest-free loan with **condition for partial forgiveness of contribution amount.**

No payments required until December 31, 2022, **but applicant can opt to make payments anytime between January 1, 2021 and December 31, 2022.**

Up to 25 percent forgiveness is available, provided 75 percent, or up to \$30,000 is paid back by December 31, 2022.

If 75 percent of the contribution amount is not repaid by December 31, 2022, the balance owing will be converted to an additional three-year interest bearing loan at 5% (fixed repayment schedule), beginning January 2023, with no forgivable portion.

The full balance of the contribution amount must be repaid by no later than December 31, 2025.

If an Application for Funding is approved, an Offer to Finance, Promissory Note, General Security Agreement and Personal Guarantee(s) if incorporated will be executed between the Applicant and South Lake Futures Business Development Corporation.

Approved contributions will be disbursed through a single advance payment following receipt of the executed documents.

Loan Security

All approved applications will require the following loan documentation to be signed:

- Offer to Finance
- Promissory Note
- General Security Agreement
- Personal Guarantee(s) if incorporated
- Pre-Authorized Payment (PAP) Agreement

Electronic signatures will be accepted on all loan security documents.

Reporting

All approved SMEs will be required to submit a quarterly online survey beginning in January 2021, until full repayment of the loan. This survey will assist South Lake Futures in measuring the local impacts of COVID-19 over the duration of the loan and may include:

- Narrative describing how the contribution received has mitigated the impacts of COVID-19 on the SME;
- Number of jobs maintained as a result of the contribution received;
- Confirmation that the SME is continuing its operations; and
- Other metrics as may be requested by South Lake Futures or FedDev Ontario.

The SME must also submit a copy of their financial statements within one hundred and eighty (180) calendar days of their fiscal year.

Additional/Alternate Funding Options

- Incorporated SMEs may also be eligible to receive RRRF support from FedDev Ontario, for amounts up to \$500,000.
 - However, they cannot receive funds from both a CFDC and FedDev Ontario. Please visit the FedDev Ontario website for more information on eligibility criteria for direct funding.
- Incorporated SMEs with funding needs of \$40,000 or more should apply directly through FedDev Ontario, as RRRF funding through CFDCs will be limited to contributions of \$40,000 or less. Please visit the [FedDev Ontario website](#) for more information on eligibility criteria for direct funding.

Date modified:

2020-05-19