

**KIVALLIQ BUSINESS DEVELOPMENT CENTRE (KBDC)**

**Regional Relief and Recovery Fund (RRRF) Application**

**Guidelines: Business Application to KBDC**

1. **RRRF Description**

The purpose of the RRRF is to address the COVID-19 impacts on rural and remote communities in Nunavut, contributing to their short-term stability and readiness for economic recovery. Specifically, this funding makes available additional investment capital to the Kivalliq region through KBDC to focus on the following two objectives:

• increasing the capacity of SMEs and Social Enterprises within Nunavut, particularly in remote communities, to mitigate challenges related to COVID-19 through working capital liquidity supports; and

• providing ongoing technical support for the survival of SMEs and Social Enterprises within Nunavut affected by COVID-19.

Priority will be given to businesses who are unable to access other federal relief measures available under Canada’s COVID-19 Economic Response Plan or unable to obtain a loan/credit from traditional financial institutions, and are struggling with working capital needs or technical aid as a result of COVID-19.

1. **Definitions**

The following definitions apply to the interpretation of RRRF terms:

**Applicant** refers to any SME or Social Enterprise that applies for or receives a Loan from a CF.

**Loan** means any loan made by a KBDC to an applicant SME or Social Enterprise that is funded under the RRRF and that complies with the terms and conditions as set out in the approved loan agreement.

**RRRF** means the Regional Relief and Recovery Fund established by the Government of Canada in response to the COVID-19 pandemic.

**SME** means any small and medium-sized enterprise, which are defined as having less than 500 employees and annual sales revenue of less than $20 million, and produce goods and services for the market economy, regardless of their business structure (e.g. sole proprietorships, for profit or non-profit corporations, cooperatives, etc.).

**Social Enterprise** means any business producing goods and services for the market economy, but that manages their operations and redirect their surpluses in pursuit of social, environmental and community goals. Typically, Social Enterprises grow out of community economic development strategies involving citizens, governments, the voluntary sector, business learning institutions and other partners.

1. **Parameters of the Loans**

KBDC is authorized under RRRF to issue Loans to each eligible SME or Social Enterprise up to a maximum of $100,000. This funding is intended to be complementary to other loan programs already announced under Canada’s COVID-19 Economic Response Plan, and the combined total assistance received by a given SME or Social Enterprise under this Program, the Canada Emergency Business Account, and the Indigenous Services Canada loan program delivered through Aboriginal Financial Institutions may not exceed $100,000.

KBDC applies the following repayment terms to all RRRF Loans approved and issued to applicants:

• the combined amount of this Loan, and any other loan entered into by the recipient that is currently on offer as part of Canada’s COVID-19 Economic Response Plan **must not exceed $100,000**.

• the Loan will have an **interest-free period** and **deferral of principal payments** until December 31, 2022; • the Loan may be fully or partially repaid at any time by the Borrower to the KBDC, without penalty, except any interest payable as specified below;

• the Loan will include a **repayment incentive**, whereby if the Borrower repays 75% of the principal amount of the Loan by December 31, 2022, the balance equal to 25% of the Loan, to a maximum of twenty five thousand dollars ($25,000), will be credited against the outstanding balance of the Loan;

• in light of the exceptional circumstances surrounding COVID-19, interest at a maximum rate of Five Per Cent (5%) may be charged, and may only start to accrue on the remaining principal of the Loan commencing January 1, 2023.

• the **full balance** must be **repaid no later than December 31, 2025.**

**4.0 KBDC\_RRRF Loan – Applicant Eligibility**

To be eligible for a Loan, an SME or Social Enterprise must have been registered and operating in Nunavut on and prior to March 1, 2020.

The Applicant must have attempted to access other federal relief measures under Canada’s COVID-19 Economic Response Plan, such as the Canada Emergency Business Account (CEBA), the Wage Subsidy benefits, the Commercial Rent Assistance for small businesses among others, and must show the CF that it was either determined to be ineligible or rejected.

If the Applicant is eligible for the National Aboriginal Capital Corporations Association (NACCA) COVID-19 loan program, offered through KBDC or other Aboriginal Financial Institutions, the Applicant must first demonstrate to the CF an unsuccessful attempt to access that program.

The Applicant must demonstrate to the KBDC, through an attestation, that they have not or will not apply or accept other Government of Canada equivalent support, except for the wage subsidy programs such as the Canada Emergency Wage Subsidy (CEWS).

The Applicant must not receive a Loan for the same costs for which it has received or will receive other federal relief measures. The Applicant must demonstrate need to KBDC, who may consider an attestation from the Applicant that the Loan proceeds will be used for costs and/or working capital related to COVID- 19 or other emergency purposes as deemed appropriate by KBDC.

**5. Eligible Costs**

The following costs are eligible for a Loan made by a KBDC that is funded under the RRRF:

* costs that will help to stabilize the Applicant to mitigate impacts of COVID-19 and that are not covered by other government COVID-19 relief measures;
* costs that have become due or have been incurred since March 15, 2020; and
* non-deferrable operating expenses including , without limitation, payroll ,rent, utilities, insurance, property taxes and regularly scheduled debt service,
* emergency measures such as health and safety improvements, workplace sanitizing, and procedures to secure the safety of employees and prepare for business opening; and
* costs that are not otherwise ineligible as set out below.

**6. Ineligible Costs**

In calculating the amount of the Loan, KBDC will only consider the costs for which the Applicant has not received any other government relief or assistance. For example, if the Applicant has received a 75% subsidy under CEWS, the Loan cannot be used to cover the remaining 25%. The following costs will be deemed ineligible for a Loan funded under the RRRF:

* costs related to refinancing of an existing debt;
* costs related to land acquisition;
* goodwill;
* costs related to the purchase of any assets for more than the fair market value of that asset;
* costs of amortization; and
* Funds may not be used to fund any payments or expenses such as prepayment /refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.

**7. Supporting Information Required**

**Please attach the following to your Emergency Business Loan application:**

1. A completed Application for the Emergency Business Loan (see next page);

2. A copy of your 2019 Financial Statements;

3. A detailed cashflow projection for the period March 15 2020 to March 31, 2021;

4. Copies of new or existing service contracts, if any; optional (KBDC to determine whether this is a requirement)

5. Clear copies of your Identification: Driver's License and confirmation of Indigenous heritage (i.e. Certificate of Indian Status).

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| Mark Macneill, General Manager, KBDC |

Please **email** fully completed application with attachments to:

If you have any questions about the loan requirements, please email your questions and phone number to:

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| macneillkbdc@outlook.com |

**REGIONAL RELIEF AND RECOVERY FUND (RRRF)**

**Business Application for an RRRF Loan**

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| **Internal Use** | **Application received (dd-mm-yyyy)** | **KBDC Staff** |

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| **Section 1: Applicant Information (to be completed by business applicant)** |
| Note: Fields marked by an asterisk (\*) are mandatory. List personal details for all owners where applicable.  |
| **\*1. Full Name of Owner** | **\*4. Type of Business** (sole proprietor, incorporated, limited partnership) |
| **\*2. Name(s) of all other Business Owners or Partners (if any)** | **\*5. Name of Business** |
| **\*3. Business owner’s heritage and % of ownership** | **\*6. Business or Corporation number** |
| **\*7. The business owner(s) hereby certify that they are:**

|  |  |  |
| --- | --- | --- |
| **[ ]  First Nations** | **[ ]  Métis** | **[ ]  Inuit** |

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| **8. Gender**  | **\*9. DOB (dd-mm-yyyy)** | **10. Age** |
| **\*11. Business Location:**

|  |  |  |  |
| --- | --- | --- | --- |
| **[ ]  On-Reserve** | **[ ]  Off-Reserve** | **[ ]  Own** | **[ ]  Rent Since:**  |
|  |  |  |  |

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| **\*12. Business Address:**

|  |  |  |  |
| --- | --- | --- | --- |
| **(Street Address)** | **(Town/City)** | **(Province)** | **(Postal Code)** |
|  |  |  |  |

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| **13. Previous Address (if less than 3 years):**

|  |  |  |  |
| --- | --- | --- | --- |
| **(Street Address)** | **(Town/City)** | **(Province)** | **(Postal Code)** |
|  |  |  |  |

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| **\*14. Business Phone #** | **\*15. Cell Phone #** |
| **\*16. Email Address** | **17. Website** |

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| **Section 2: Financing Reques** |
| **\*18.** **List the estimated emergency project costs and sources of financing. Please attach a detailed cashflow statement for the period of April 1st, 2020 to March 31st, 2021 (attached) and provide a written description of your needs in section 3 of this application.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Estimated Project Costs:** |  | **Expected Source of Financing:** |  |
| Fixed Operating Costs | $ |  | Emergency Loan Program (ELP) | $ |  |
| Working Capital | $ |  | Other Government Assistance | $ |  |
| Other: | $ |  |  | $ |  |
| Other: | $ |  |  | $ |  |
| **Total Project Costs:** | **$** |  | **Total Project Funding:** | **$** |  |

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| **\*19. Please provide a detailed description of your need for assistance during the COVID-19 crisis, including details of the costs that you wish to cover and whether you have applied for other government or other Bank/Lending assistance. The more detail you can provide as to your financing need, the better. You can attach a separate write-up if necessary.**  |
| **\*20. How has your business been impacted by COVID-19?**

|  |  |  |  |
| --- | --- | --- | --- |
| **[ ]  No Impact** | **[ ]  Open but at reduced activity** | **[ ]  Closed** |  |
|  |  |  |  |

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| **\*21. If your business was closed, do you intend to re-open your business?**

|  |  |
| --- | --- |
| **[ ]  Yes** | **[ ]  No** |

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| Questions 22 and 23 are meant to demonstrate viability of the business before assistance and after assistance.  |
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| --- | --- |
| **22. What were your business revenues for the year ending Dec. 31, 2019?** | **$** |

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| --- | --- |
| **23. What do you anticipate your revenues will be for the year ending Dec. 31, 2020?** | **$** |

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| **\*Section 3: Cashflow Statement**  |
| **PLEASE ATTACH A DETAILED CASHFLOW STATEMENT for the period April 1, 2020 to March 31, 2021**.  |

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| **\*Section 4: Statement of Personal and Business Assets and Liabilities**The Applicants agree that by signing this application they certify that the information in this Statement of Personal Assets and Liabilities is a complete and true declaration. The property values shown above are the fair market values of the properties and the amount of debts is the total potential indebtedness (inclusive of any other loans, credit cards, or other debts for which they have signed as a guarantor).  |
| **Statement of Net Worth:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Assets** | **Value** |  | **Liabilities** | **Balance**  |  | **Monthly Payments** |
| Real estate | $ |  | Mortgages | $ |  | $ |
| Investments | $ |  | Bank Loans | $ |  | $ |
| Vehicles | $ |  | Credit Cards | $ |  | $ |
| Business Assets | $ |  | Business Liabilities | $ |  | $ |
| Other: | $ |  | Other: | $ |  | $ |
|  |  |  |  |  |  |  |
| **Total** | **$** |  | **Total** | **$** |  | **$** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Other Income: | [ ]  Yes | [ ]  No | **Source:** |  | **Amount/month:** | $ |
|  |  |  |  |  |  |  |

 |
| **Real Estate:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Address and Legal Description**  | **Year Purchased** | **Price Paid ($)** | **Mortgages Outstanding ($)** | **Est. Current Value ($)** |
|  |  | $ | $ | $ |
|  |  | $ | $ | $ |
|  |  | $ | $ | $ |

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| **\*Section 5: Impacts of Approved RRRF Financing**  |
| Please indicate impact/result of financing provided on the jobs at your business (include the owner(s) in the count):

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| --- | --- | --- | --- |
|  | **New Jobs Created** |  | **Jobs Maintained** |
|  | FT |  | PT |  | Seasonal |  | FT |  | PT |  | Seasonal |
| **Indigenous Jobs (#):** |  |  |  |  |  |  |  |  |  |  |  |
| **Non-Indigenous Jobs (#):** |  |  |  |  |  |  |  |  |  |  |  |
| What sector or industry does your business operate in? (for example: cattle farming, car dealership, gas station) |  |  |  |
| Do you agree to report on the results of this funding received? |  | [ ]  Yes [ ]  No |

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| **\*Section 6: Canada, Ontario, and/or Bank Emergency Business Assistance**  |
| Please indicate whether you have applied to any other COVID-19 emergency assistance through government and/or Bank/Lender sources for your business:

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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| --- | --- | --- | --- | --- |
| **Name of Program** | **Have you applied?** | **If not do you intend to apply?** | **Date of app** | **For how much $?** |
| Canada Emergency Wage Subsidy | **[ ]  Yes**  | **[ ]  No** | **[ ]  Yes**  | **[ ]  No** |  | **$** |
| Business Credit Availability Program | **[ ]  Yes** | **[ ]  No** | **[ ]  Yes** | **[ ]  No** |  | **$** |
| Canada Emergency Business Account | **[ ]  Yes** | **[ ]  No** | **[ ]  Yes** | **[ ]  No** |  | **$** |
| Farm Credit Canada Available for Agriculture, Fisheries and Aquaculture | **[ ]  Yes** | **[ ]  No** | **[ ]  Yes** | **[ ]  No** |  | **$** |
| Bank Loan Relief | **[ ]  Yes** | **[ ]  No** | **[ ]  Yes** | **[ ]  No** |  | **$** |
| BDC Co-Lending | **[ ]  Yes** | **[ ]  No** | **[ ]  Yes** | **[ ]  No** |  | **$** |
| Futurpreneur Canada | **[ ]  Yes** | **[ ]  No** | **[ ]  Yes** | **[ ]  No** |  | **$** |
| Others? |  |  |  |  |  | **$** |

By submitting this application to the KBDC you agree to notify KBDC immediately of any application pending and under consideration by another lender, or if negotiations are entered into, or an offer of financing is received during KBDC consideration of this application.  |  |

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| **\*Section 7: Application Understands and Agrees:**  |
| a) That the terms and conditions of any financing which may be authorized will be set forth in a Letter of Offer for agreement and acceptance by the Applicant. A promissory note to repay the loan will also be required.b) That in applying for this financing, the Applicant authorizes KBDC to obtain personal credit information about me and my business from any sources. By executing this application, the Applicant's understands that personal and confidential business and credit information will be requested from the Applicant and/or collected from third parties that have information about the Applicant's business and personal financial status for the purposes of determining the Applicant's eligibility for financing.  |

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| **\*Part 8: Collection use and Disclosure of Personal and Business Information:** |
| **a)** The Applicant acknowledges that, as the operation of KBDC’s RRRF is financially supported by the Nunavut Community Futures Association (NCFA), Government of Nunavut, and Canadian Northern Economic Development Agency (CANNOR), their representatives are permitted access to the files of KBDC for reporting, monitoring and evaluation purposes and that KBDC may be contacted by these agencies and that such information as may be acquired by such agencies will be treated as confidential.  **b)** The Applicant acknowledges that KBDC Privacy Policy will protect personal and business information and that limited basic business information only be provided where contractually or legally required by other agencies.  **c)** The Applicant further understands and consents to KBDC publicizing the Applicant's business venture if the Applicant is successful in obtaining financing from KBDC.**d)** The applicant acknowledges that the KBDC is responsible for reporting on loans made Applicants, to the NCFA.**e)** The applicant acknowledges that the KBDC and the NCFA are required to report to the Government of Nunavut on any defaulted loans.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Dated at** |  | **this** |  | **day of** |  | **, 2020.** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of Applicant(s)** |  |  |  |
|  | **(Print Name)** |  | **(Print Name)** |
|  |  |  |  |
|  | **(Signature)** |  | **(Signature)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of Applicant (if the applicant is a Corporation)** |  |  |  |
|  | **(Print Name)** |  | **(Witness Print Name)** |
|  | **I have the authority to bind the Corporation:** |  |  |
|  | **(Signature)** |  | **(Signature)** |
|  |  |  |  |

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*This program is funded by the Government of Canada.*

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**ATTESTATION FORM**

**TO BE COMPLETED BY SME AND SE BORROWER APPLICANTS**

The Applicant hereby attests as follows (strike out any paragraphs that do not apply):

1. The Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_attests that it has attempted to access other federal relief measures under Canada’s COVID-19 Economic Response Plan, such as the Canada Emergency Business Account (CEBA), the Wage Subsidy Benefits, the Commercial Rent Assistance for Small Businesses among others, and was either determined to be ineligible or rejected. Proof of ineligibility or rejection is attached to this Attestation Form.
2. If the Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is eligible for the National Aboriginal Capital Corporations Association (NACCA) COVID-19 loan program, offered through Aboriginal Financial Institutions, the Applicant attests that it has attempted to access the NACCA COVID-19 loan program and was unsuccessful in accessing funds from that program. Proof of inability to access that program is attached to this Attestation Form.
3. The Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_attests that it has not, nor will the Applicant apply for or accept other Government of Canada equivalent support, except for the wage subsidy programs such as the Canada Emergency Wage Subsidy (CEWS).
4. The Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_attests that it has not, nor will the Applicant apply for or accept a loan for the same costs for which it has received or will receive other federal relief measures.
5. The Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ acknowledges that it is not eligible to receive Covid-19 related financial assistance in excess of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) from all Government of Canada and Government of Nunavut programs/sources, and the Applicant attests that it has not received, nor will the Applicant apply for Covid-19 related financial assistance in excess of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) from all Government of Canada and Government of Nunavut programs/sources.
6. The Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ attests that it has need for the loan proceeds, which proceeds will be used by the Applicant for costs and/or working capital related to COVID-19 or other emergency purpose as deemed appropriate by the BBDC.

I hereby attest that the above statements are true to the best of my knowledge and belief, and understand that if any of the above statements are untrue, at the option of the BBDC this Agreement may be terminated effective immediately and the Applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ may be required to forfeit any or all loan RRRF Emergency Loan benefits which it has received pursuant to this Agreement.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 *(Print Name of Applicant SME or SE)*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Signature of Authorized Signing Authority)*  *(Date)*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Print Name of Witness)*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Signature of Witness)* *(Date)*