

# Trenval Regional Relief and Recovery Fund

## Scope and Objectives

The Phase II **RRRF**, delivered by Trenval Business Development Corporation (Trenval) (Trenval CFDC), will provide financial contributions (interest-free loans) to help support fixed operating costs of small-and-medium enterprises (SMEs) where business revenues have been affected by the COVID-19 pandemic. Not-for-profit (NFP) organizations, including social enterprises that provide support to SME's, will also be eligible for this support.

## Eligibility

Eligible applicants	Ineligible applicants
<ul style="list-style-type: none"> <li>✓ A registered viable business, prior to March 01, 2020, operating within the jurisdictions of either the City of Belleville, City of Quinte West, Tyendinaga Township, Stirling-Rawdon, Deseronto or Tyendinaga MBQ;</li> <li>✓ Impacted adversely and facing funding pressures with fixed operating costs, as a result of the COVID-19 pandemic;</li> <li>✓ Viable business pre-COVID and able to demonstrate healthy financial position prior to March 01, 2020.</li> <li>✓ 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</li> <li>✓ Attest to other federal support measures that applicant has applied, was ineligible, or rejected or denied, or still experiencing ongoing financial pressures despite accessing other measures, including but not limited to: <ul style="list-style-type: none"> <li>i. Canada Emergency Business Account (CEBA);</li> <li>ii. Business Credit Availability Program (BCAP);</li> <li>iii. Canadian Emergency Commercial Rent Assistance (CERCRA), or other rent relief provided through an organization's landlord</li> <li>iv. Canada Emergency Wage Subsidy (CEWS)</li> <li>v. CRA Temporary 10% Wage Subsidy</li> <li>vi. Service Canada Work-sharing program</li> <li>vii. NRC-IRAP Wage Subsidy</li> <li>viii. Indigenous Business Support Loans</li> <li>ix. BDC Co-Lending Programs for SMEs</li> <li>x. EDC Loan Guarantee Program</li> <li>xi. Other federal programs announced.</li> </ul> </li> <li>✓ Planning to continue to operate its business or resume operations.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Post-secondary Institutions, Learning and educational organizations;</li> <li>✗ Government organizations or bodies, or entities owned by a government organization or body including but not limited to social services, community and civil society mandated organizations;</li> <li>✗ Sports and recreation organizations;</li> <li>✗ Unions, charitable, religious or fraternal organizations or entities owned by such an organization;</li> <li>✗ Environmental or conservation organizations;</li> <li>✗ Entities that are structured as a holding company; and</li> <li>✗ Entities owned by individuals holding federal or provincial political office.</li> </ul>

## Eligible activity

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

NFPs organizations, including Social Enterprises that provide support services to SME's (business or sector based organizations as well as those engaging in commercial activities) that do not qualify or have been rejected from any other existing Government of Canada COVID-19 relief measures.

## Costs

Eligible costs	Ineligible Costs
<ul style="list-style-type: none"><li>✓ Commercial rent;<ul style="list-style-type: none"><li>○ 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</li></ul></li><li>✓ Capital lease payments for existing equipment and machinery;</li><li>✓ Salaries and benefits<ul style="list-style-type: none"><li>○ 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;</li></ul></li><li>✓ Property taxes;</li><li>✓ Utilities;</li><li>✓ Cleaning supplies and additional safety measures;</li><li>✓ Bank charges and interest payments;</li><li>✓ Professional fees;</li><li>✓ Insurance payments;</li><li>✓ Facing funding pressures with fixed operating costs, as a result of the COVID-19 pandemic;</li><li>✓ Other eligible expenses associated with retooling, rethinking workflows, automation, robotics, developing new markets, etc.;</li><li>✓ Other fixed operating costs applicable to the applicant.</li></ul>	<ul style="list-style-type: none"><li>✗ Any costs deemed not reasonable and/or not directly related to a business' fixed operational expenses <b>except</b> for one-time stabilization expenditures related to operating in the context of COVID-19, including sanitary, distancing measures and/or one-off adaptation cost;</li><li>✗ Monthly mortgage and loan payments;</li><li>✗ New capital expenditures;</li><li>✗ Refinancing of an existing debt;</li><li>✗ Costs of amortization and goodwill; and</li><li>✗ Acquisition of land and buildings.</li><li>✗ Inventory or costs associated with future growth or income (i.e.: fixed assets and equipment).</li></ul>

# 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, corner stores, coffee shops, florists, dry cleaners, auto repair and salons, etc., followed by organizations of strategic importance to the community;
- 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 through the secure on-line application: **[APPLY NOW]**
- 2) Please ensure that the information is completed in full and all supporting documentations are uploaded within the online process and submitted for review. Business owners requiring clarifications, may direct questions to [ebrown@trenval.ca](mailto:ebrown@trenval.ca).
- 3) The application will be reviewed in the order and queue received. All applicants will be contacted with status updates and or approvals in a timely manner.

One application for funding per new applicant is permitted. Prior qualifying applications may apply for a top-up of funds if they are eligible under the program parameters and guidelines.

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

## Application review

Trenval will review applications as submitted in the order received.

All applications will be subject to a screening process and should be completed in full including signatures of all business owner(s) and all supporting documentation. Incomplete applications will **not** be assessed and will be considered ineligible for funding, however applicants with incomplete applications are permitted to re-apply and need to ensure resubmitted applications are complete including all required documentation, with the understanding that resubmissions will be assessed in the order received.

Complete applications are those that include all prescribed documentation containing all information required for Trenval 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

The contribution must be fully repaid by December 31, 2025.

An interest-free loan that may contain a **condition for partial forgiveness of the loan 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.**

### IF YOU RECEIVE \$40,000 OR LESS:

Repaying 75 percent of the loan amount, or up to \$30,000, on or before December 31, 2022, will result in loan forgiveness of 25 percent (up to \$10,000).

### IF YOU RECEIVED MORE THAN \$40,000 AND UP TO \$60,000:

The terms of your forgiveness will be subject to the following thresholds:

25 percent on the first \$40,000; plus

50 percent on amounts above \$40,000 and up to \$60,000.

For clarity, the portion of forgiveness based on a rate of 25 percent and the portion of forgiveness based on a rate of 50 percent are blended into a single tranche of forgiveness, which is only available if all other amounts outstanding are repaid by December 31, 2022. For example, if \$60,000 is received, no forgiveness is available unless \$40,000 is repaid.

*(Examples of the forgiveness calculation are included in the FAQ)*

Repayment Schedule:

No payments are required until January 1, 2023, but applicants can opt to make payments any time until December 31, 2022.

If the non-forgivable portions of the RRRF loans (75 percent of the first \$40,000 and 50 percent of the subsequent amount up to \$20,000) are not repaid by December 31, 2022, the balance owing will be converted to an additional three-year contribution (fixed repayment schedule), beginning January 1, 2023, with no forgivable portion.

An interest-free loan that may contain a **condition for partial forgiveness of the loan 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**.

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 Trenval 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
- Attestation of attempt to access other federal support measures

Electronic signatures will be accepted on all loan security documents as needed.

## Reporting

All approved SMEs will be required to submit quarterly business recovery information following receipt of the funds, until full repayment of the loan. This information will assist Trenval 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 Trenval 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 \$1,000,000,000.
  - 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 \$60,000 or more should apply directly through FedDev Ontario, as RRRF funding through CFDCs will be limited to contributions of \$60,000 or less. Please visit the [FedDev Ontario website](#) for more information on eligibility criteria for direct funding.

### Eligible applicants must:

- Be a Canadian or provincially incorporated business, co-operative or an Indigenous-owned business located in southern Ontario with 1 to 499 full-time equivalent employees;
- Be facing funding pressures with fixed operating costs as a result of COVID-19;
- Have been a viable business before the COVID-19 pandemic and plan to continue to operate their business or resume operations.
- Have already applied to other Government of Canada emergency credit relief measures for which they are **ineligible**, as outlined in the [program guidelines](#).

For additional alternate funding or the RRRF funding provided directly by FedDev Ontario, priority may be given to SMEs that fall within the manufacturing, technology, tourism and other sectors key to the region, that are major employers in small communities, or that support the government's commitment to underrepresented groups.

For more information, please visit the [FedDev Ontario website](#) and consult the [Applicant Toolkit](#).

**Please note:** Applicants will not receive RRRF assistance from both their local CFDC and FedDev Ontario. Review the [program guidelines](#) to see which stream is right for you and [contact FedDev Ontario](#) if you have any questions before applying.

## Frequently Asked Questions

Review Frequently Asked Questions [here](#)

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