


BUSINESS *is* UNUSUAL

www.manitobabusinessmatters.ca



A CORONAVIRUS *Survival Guide* FOR MANITOBA BUSINESS

REGIONAL RELIEF AND RECOVERY FUND (RRRF) REFERENCE GUIDE

Supported by / Avec l'appui de :



Western Economic
Diversification Canada

Diversification de l'économie
de l'Quest Canada

Canada



MANITOBA
CHAMBERS OF
COMMERCE

YOUR EXPERT ADVISORS

1Life
Workplace Safety Solutions

CPHR
Manitoba

CPA CHARTERED
PROFESSIONAL
ACCOUNTANTS
MANITOBA


Chambers of Commerce
Group Insurance Plan®

BellMTS


RED RIVER COLLEGE
CORPORATE SOLUTIONS

VANTAGE

TDS THOMPSON
DORFMAN
SWEATMAN

REGIONAL RELIEF AND RECOVERY FUND

REFERENCE GUIDE



The Regional Relief and Recovery Fund (RRRF) is a special relief fund established by the Government of Canada to support businesses and organizations economically impacted by the COVID-19 pandemic. It will help to address gaps left by other measures as part of Canada's COVID-19 Economic Response Plan, and complement those already provided by other levels of government, as well as take into account regional needs and realities.

This \$2-billion Government of Canada fund is available to small and medium-sized businesses, and offers loans of up to \$60,000 (and in some cases up to \$1 million.) With financing terms similar to CEBA, RRRF loans are interest-free with a forgivable component if the balance is paid before December 31, 2022.

How the Program is Administered: Western Economic Diversification Canada (WD) is collaborating with Community Futures Pan West to deliver the Fund in Western Canada.

Community Futures offices are supporting rural businesses requesting **\$60,000 or less**. These businesses should apply through their local Community Futures office if they are eligible.

If you are a rural business requesting **more than \$60,000** you should apply through Western Economic Diversification Canada (WD).

The RRRF is administered by WD and there are four application processes based on business location, type and amount of loan requested:

Community Futures Stream: Loans of up to \$60,000 for Rural Businesses administered by Community Futures offices.

Women's Enterprise Initiative Stream: Loans of up to \$60,000 for women-owned or women-led businesses administered through Women's Enterprise Initiative (WEI) offices.

RRRF funding for all other small to medium-sized businesses (SMEs) - Initial loan of \$40,000 plus an expansion loan of an additional \$20,000

RRRF funding—Loans of \$60,000 up to \$1 million administered directly by WD

RRRF ELIGIBILITY CRITERIA:

RRRF Eligibility Criteria is broken into 2 categories:

RRRF up to \$60,000 for businesses:

General RRRF Eligibility Criteria includes businesses that:

- are not eligible for the RRRF - Community Futures Stream, or the RRRF—Women's Enterprise Initiative Stream
- are not a sole proprietor
- are not not-for profit organizations
- have fewer than 500 full-time employees
- are in Western Canada (BC, AB, SK and/or MB)
- are not in an area serviced by a CF office
- were operational as of March 1, 2020
- have suffered financially because of COVID-19
- intend to continue operations in Western Canada

Examples of businesses that are eligible to apply are:

- pre-revenue firms
- businesses who pay workers in dividends or
- businesses with independent contractors

REGIONAL RELIEF AND RECOVERY FUND

REFERENCE GUIDE



RRRF ELIGIBILITY CRITERIA CON'T:

RRRF over \$60,000 and up to a maximum of \$1,000,000:

General Eligibility Criteria includes businesses that:

- are not a sole proprietor
- are not a not-for-profit
- have less than 500 full-time employees
- are incorporated to operate in Canada
- were operational as of March 1, 2020
- are in Western Canada (defined as BC, AB, SK or MB)
- have suffered financially because of the covid-19 pandemic
- can demonstrate 2019 revenue of less than \$10 million, or pre-revenue businesses that received angel or venture capital funding
- have applied for funding from other federal covid-19 support measures, such as the Business Development Bank of Canada's co-lending program, and export development Canada's business credit availability program
- intend to continue operations in western Canada
- can describe the financial impact that COVID-19 has had on operations, and outline how WD funding will help support the western Canadian economy to:
 - retain diverse and valuable talent
 - maintain sector knowledge and skills
 - maintain capital flow
 - maintain critical supply chains and increase capacity to withstand supply chain disruptions
 - protect technologies and processes that improve resilience, productivity, and/or competitiveness
 - protect vital intellectual property

RRRF ELIGIBLE COSTS:

General Eligible Costs within the 4 RRRF streams include but not limited to are:

- Lease payments for existing equipment and machinery;
- Property taxes;
- Utilities;
- Bank charges and interest payments;
- Office supplies;
- Vehicle operating expenses;
- Professional fees;
- Monthly insurance payments;
- Other fixed operating costs applicable to the applicant.

NOTE: The funds from the RRRF loan cannot be used to pay expenses already supported through the Canada Emergency Wage Subsidy or the Canada Emergency Rent Subsidy.

NOTE: Each RRRF stream program eligible costs may vary slightly, please refer to the individual program terms and conditions as applicable to your business. Please refer to the [RRRF Eligibility Assistant](#) for guidance on which stream is suited to your needs.

REGIONAL RELIEF AND RECOVERY FUND REFERENCE GUIDE



HOW TO APPLY FOR THE REGIONAL RELIEF AND RECOVERY FUND (RRRF):

The application process is the same for both loan categories:

NOTE: Only one application can be submitted per business.

- You must apply for the Canada Emergency Business Account,
- If you are not eligible for the Canada Emergency Business Account, then you can apply for the Regional Relief and Recovery Fund.
 - If you are in an area serviced by a Community Futures Organization, you must apply to the Community Futures Emergency Loan Program,
 - If you are a women-owned or a woman-led business, you should apply for the Women's Enterprise Initiative Stream

If you do not meet the criteria of either above programs:

- If applying for funding up to \$60,000 attach to your [Regional Relief and Recovery Fund application](#).
 - Void cheque or direct deposit form validated from your bank
- If applying for funding over \$60,000 attach to your [Regional Relief and Recovery Fund application](#).
 - Financial statements for the past 2 years
 - Estimated 2020 cash flow needs for the 12 month period between October 1, 2020 to September 30, 2021
 - Void cheque or direct deposit form validated from your bank

Submit your application and print your confirmation message with your reference number. You will be notified by email with a decision on your application.

Assessment approach: All applications will undergo an assessment of their expected impacts on the western Canadian economy as outlined in the mandatory criteria.

This assessment will consider:

- The number and quality of jobs maintained relative to the funding amount requested;
- The financial viability of the business and ability to repay;
- The relative importance of your business' impact on your community and/or your sector of the western Canadian economy;
- The ability to maintain or increase capacity in critical supply chains;
- The production of innovative goods, services or technologies; and
- The ability to maintain a distinct competitive advantage in targeted markets such as factors that allow your business to produce goods or services better or more cost-effectively.

NOTE: As of February 5, 2021, RRRF allows for a period of up to 12 consecutive months in eligible operating costs (which is an increase from the six months from April 1, 2020 to September 30, 2020 offered earlier under the program).

If you have previously applied, but have yet to be contacted by WD, you may reapply under the new provision or contact a regional office to adjust your application.

Under the RRRF, your funding request may be scaled to your operating deficit, but may not be more than \$1 million for revenue generating firms. For pre-revenue firms that have received angel or venture capital funding, requests will be scaled your annual operating costs to maintain operations for twelve months up to a maximum of \$500,000, less other approved federal COVID supports.

REGIONAL RELIEF AND RECOVERY FUND REFERENCE GUIDE



RRRF REPAYMENT TERMS:

The **repayment terms are different** if you have received a loan of up to \$60,000 or over \$60,000.

General Terms of RRRF Loans over \$60,000 to a maximum of \$1,000,000: Contribution is **fully repayable**.

General Terms of RRRF Loans up to \$60,000: Repayment of 75% of the contribution before December 31, 2022 = forgiveness of 25% (up to \$10,000).

- If you **repay** the outstanding balance on RRRF Loan of \$60,000 on or before December 31, 2022, the following percentage of the contribution will be **forgiven**:
 - 25% on the first \$40,000; and
 - 50% on amounts above \$40,000 and up to \$60,000;
- The forgivable portion is only available if the entire outstanding amount is repaid by December 31, 2022.

Terms of ALL RRRF Loans: 0% interest and no principal payments until December 31, 2022;

- Principal repayments can be voluntarily made at any time;
- If you are **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.

At the end of your **Contribution Agreement**, recipients will be required to attest that the full amount of the contribution was expended for fixed operating costs, such as rent, wages and salaries, utilities, insurance, debt expenses, professional fees, and property and business taxes.

Recipients will also be required to disclose all funding received from any level of government for these same fixed operating costs.

Businesses will be required to submit a report that includes:

- Number of jobs maintained, thanks to RRRF
- Confirmation that the business is continuing its operations
- Any other metrics requested by WD
- Recipient's financial statements (at the request of WD)

APPLICATION DEADLINE:

Applications are now open online.

Due to significant demand for WD RRRF funding, consideration of applications received will be subject to the availability of funds, of June 30, 2021, whichever comes first.

The application portal is now online: [Apply Now](#).

To determine if you are eligible for the loan program and which RRRF stream is best suited for your business, visit the [RRRF Eligibility Assistant](#).

To access the Regional Relief and Recovery Fund (RRRF) – Application Guide [click here](#).

For more information RRRF Frequently Asked Questions can be found [here](#).

NOTE: WD reserves the right to modify these guidelines at any time without notice and may waive certain requirements on an exceptional basis.

REGIONAL RELIEF AND RECOVERY FUND REFERENCE GUIDE



CRITICAL ADDITIONAL RRRF PROGRAM INFORMATION:

NOTE: If the repayment terms are met for the RRRF, the forgivable portion is considered **government assistance** and is included in the employer's **taxable income**.

The information on this reference guide and on the Manitoba Business Matters website is based on rapidly-developing relief programs and legislative changes and is produced by Manitoba Business Matters as an information service to Manitoba businesses.

It is not intended to substitute professional advice.

These summaries will be updated as support programs and legislation continues to evolve.

For the most comprehensive and current information, please review the Government of Canada's COVID-19 Economic Response Plan [click here](#).



STAY INFORMED!

As updates related to this program and more is released we will be sending out bulletins and helpful guidance for your business.

[Click here](#) to subscribe to our newsletters to get reliable, up to the minute information right to your inbox.