



MRC du
Golfe-du-Saint-Laurent

FUNDING GUIDE

2021

In this document, the masculine gender is used as a generic, for the sole purpose of not burdening the text.

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FUNDING GUIDE

Introduction

The MRC du Golfe-du-Saint-Laurent was incorporated in 2010 and is administered by a council composed of mayors of the five local municipalities whose territory is included in that of the MRC.

Following the closure of the CLD de la Basse-Côte-Nord on December 31, 2016, the economic development and support services have been, since January 1, 2017, offered by the MRC du Golfe-du-Saint-Laurent.

Mandate

The fundamental mandate of the MRC is the elaboration of a land use and development plan for its territory in order to determine the authorized usage. The perimeters are defined as urban zones, agriculture zones, recreational zones, etc. Local municipalities must prepare their urban plan following the content of the land use and development plan.

In addition to the mandate of land management, the MRC is responsible for: property tax assessment, water and waste management, public and fire safety and economic development.

Mission

The aim of the MRC du Golfe-du-Saint-Laurent is to organize its territory in order to improve the culture, economy and social conditions in a sustainable way. The goal is to open up our region with transport and telecommunications networks, to increase access to potential resources, to improve economic conditions and meet the social needs of our communities through improved infrastructure and equipment. We want to develop an easily accessible, comfortable and attractive space.

Objective of the guide

This document, including the policies for Business Support and Structuring Projects (included) will serve as a guide for the management and disbursement of funds, under the authority of the MRC du Golfe-du-Saint-Laurent as well as any other mandates originating from governmental organizations involved in local development.

GENERAL RULES

The following rules generally apply to all funds in the MRC du Golfe-du-Saint-Laurent. **However, it should be noted that specific criteria may be attached to each fund.**

1. Admissible organizations/businesses

- Projects must be carried out on the territory of the MRC du Golfe-du-Saint-Laurent;
- Businesses and organizations must be legally constituted;
- The competitive analysis must demonstrate that there is sufficient market for the sector of activity of the business;
- The promoter must be a Canadian citizen.

2. Inadmissible organisations/businesses

- Excluded are sexual, religious, political or any other company whose activities are controversial and which may be demeaning to persons with whom it would be unreasonable to associate the name of the MRC du Golfe-du-Saint-Laurent.

3. Admissible expenses

- Capital expenditures such as land, buildings, equipment, machinery, rolling stock, incorporation fees, transportation and installation costs and other similar expenses;
- The acquisition of technologies, software packages, patents and any other similar expenses.

4. Inadmissible expenses

- Expenses incurred before the signing of the financial aid agreement are not admissible;
- Funding granted for the functioning of the organization, finance of other debts, reimburse upcoming loans or to finance an already existing project;
- Real estate assets used as residential and/or commercial properties, or any rental property whose sole purpose is to generate revenues through the rental or sale of these properties;
- Projects that are in direct competition with an already existing business.

5. Project analysis

The agent will proceed with the analysis of the file upon receipt of the duly completed application form and **all** supporting documents.

The list of supporting documents is found on page 1 of the Application form for financial assistance and the Application form for financial assistance form for Private Enterprises.

Any project exceeding \$50,000 is automatically subject to a minimum of 2 bids from 2 different suppliers.

The agent responsible for the file will deal exclusively with the promoter or the person designated by resolution as responsible for the project. The agent also has the right to

request any additional documents required to analyze the file as well as to verify the following information:

- The online registration is up to date with the Registraire des entreprises;
- The promoter is in good municipal standing, if applicable (payment of tax account, adhering to by-laws, etc.);
- The promoter has no legal proceedings against them or their organization.

If the required documents are not provided or if there is a period of inactivity in the file, the promoter will have 30 days to contact the agent or file the missing documents, otherwise the file will be considered abandoned. The promoter will therefore have to resubmit the project to the MRC.

6. Follow-up of files

The financing of a project requires periodic follow-ups. Follow-ups makes it possible to advise entrepreneurs in their activities.

7. Admissible taxes

Type of organization	Admissible % tax rate	
	GST	QST
Non profit organization – Non-collection	100%	100%
Non profit organization – Collecting tax	50%	50%
Educational organizations	32%	53%
Health organizations	17%	48.50%
Municipality	0%	50%

8. Investment decision

All investment decisions are made by the MRC Council following recommendation of the agent. Some exceptions apply. Each project is analyzed based on the admissibility criteria of the program, the financial aid requested, the letters of support (including those of intent to upkeep if the support is from a municipality) and community partners, the viability and the economic impact of the project.

Financial assistance granted to the same beneficiary cannot exceed \$150,000 at any time within a period of 12 months.

9. Terminology

- **Real estate:** land and anything fixed, immovable, or permanently attached to it which can be bought, leased, sold or transferred together or separately;
 - Real estate can be residential which includes properties such as apartments, condos and houses. Commercial real estate includes office buildings, warehouses and storage facilities, etc.
- **Direct competition:** two or more businesses offering the same goods or services to a targeted group. In that case, sales generated from direct competition could not represent more than 20% of the businesses total revenues. This clause has been put into place to avoid creating the possibility of unfair advantage for the requesting business, adversely affecting the existing business;
- **Diversification:** act of manufacturing a variety of products or selling a variety of merchandise which are not currently available on the territory.

10. Common terms and conditions of both parties

All accepted projects will be the subject of a financial aid agreement between the MRC and the promoter. This protocol will define the conditions for the payment of the financial assistance, the related obligations of the parties and the repayment, if applicable.

The rights and obligations agreed upon at the signing of the contract cannot be transferred, sold or assigned in part or in their entirety to another person or business without the written consent of the MRC.

Any infraction of the contract could result in the termination of the contract. This termination will be expressed in the form of a written notice stating the requirements to reimburse a part or the entirety of the amounts disbursed under the fund. In such cases the promoter will lose all rights and recourses against the MRC.

The MRC is not liable for any injury, either physical or material, sustained by the promoter, representatives, civil servants or any other persons involved in the execution of the project.

11. Application deadlines and project completion

Project applications are submitted and accepted on an ongoing basis. The general response time after a project is submitted is 30 to 45 days. However, should a promoter wish for a project to be presented at a specific monthly MRC meeting, all documents including the duly completed and signed application form must be received by the 1st day of that specific month.

As of the signing of the financial aid agreement by all parties, the promoter will have **18 months to complete their project** and submit the **final report**, accompanied by **supporting documents** relating to the expenses incurred for the implementation of the project. If an

extension is required, it must be submitted in writing and it will be at the discretion of the MRC Council to grant it or not. Extensions, if granted should not exceed 6 months.

Funding is disbursed in two parts: 80% upon reception of signed financial aid agreement and the remaining 20% upon reception of the final report and supporting documents. Some exceptions apply. *It is important to note that an organization who accepts the first disbursement must complete the project otherwise, the amount of the first disbursement must be returned to the MRC.

12. Steps to submit a request for financial assistance

- Receipt of the application (This must be submitted on the Application form for Financial Assistance and accompanied by the required documents to support the funding application and project analysis);
- Meeting with the promoter;
- Submission of the project with all supporting documents;
- Analysis of the project by the agent who makes a recommendation to the MRC Council;
- Decision rendered by the MRC Council;
- Response time after the project is submitted: **30 to 45 days**;
- Follow-up of the decision to the proponent and signature of the agreement.

FUNDING PROGRAMS

RURAL DEVELOPMENT FUND (RDF)

1. Funds objective

The objective of this fund is:

- To promote the growth and integration of the population;
- To add value to human, cultural and physical resources of the region;
- Assure the survival of rural communities;
- Maintain the equilibrium between quality of life, lifestyle, natural environment and economic activities;
- Well-being of the population (sports and leisure);
- Proximity of services :
 - Social programs;
 - Improved community services and equipment;
 - Transportation;
 - Environment;
 - Community development.
- Job creation;
- Communications:
 - Access to new technology;
 - Transfer of knowledge.

2. Admissible businesses

- Incorporated non-profit organization;
- Solidarity and consumer cooperative;
- Regional County Municipality;
- Municipality and municipal organization;
- Band council;
- Network agencies such as education, culture, environment, heritage, health and social services which cover all or part of the territory.

3. Admissible expenses

- Capital expenditures such as land, buildings, equipment, machinery, rolling stock, incorporation fees, transportation and installation costs and other similar expenses;
- The acquisition of technologies, software packages, patents and any other similar expenses;
- Working capital for the first year of operation;
- All other costs related to the elaboration and the realization of a project.

4. Inadmissible expenses

- Infrastructure (building of roads and power supply);
- Salary/labor cost;
- Work on landfills and waste treatment;
- Construction or current operations normally funded by municipal budgets or government programs related to waterworks, sewers and roads;
- Fire services and safety.

5. Nature of financial assistance

Financial assistance is in the form of a non-reimbursable contribution that cannot exceed \$25,000 per project.

Promoters must provide written confirmation of the 10% required monetary contribution to the project.

The combined financial assistance from both Federal and Provincial governments and the RDF cannot exceed 90% of admissible expenses.

COMMUNITY SUPPORT FUND (CSF)

1. Funds objective

This fund assists in offsetting the costs to local organizations, clubs, groups and individuals involved in events or initiatives which have a positive impact for the recipient, local residents and the community as a whole.

2. Nature of financial assistance

The amount of funding granted under the CSF will be determined at the discretion of the council of the MRC upon receipt of the application form and supporting documents.

This fund has an annual budget of \$5,000.

Any disbursement made under this fund will not be done in the traditional manner of two (2) installments (80% and 20% respectively) but rather by the payment of a specific invoice to a supplier.

HEALTHY COMMUNITIES DEVELOPMENT SUPPORT FUND (HCDSF)

1. Fund objective

This fund supports and assists municipalities and MRC'S in the region that wish to reduce the social inequalities of health on its territory by the implementation of strategies that promote community development. This agreement is intended to be complementary to other existing programs and services.

2. Structuring initiatives

The Healthy Community Development Support Fund aims towards projects with the following initiatives:

- Social housing
- Social Inclusion
- Basic services
- Transportation
- Social cohesion
- Education/perseverance/literacy
- Income/employment/job security/unemployment
- Fight against poverty
- Food security
- Healthy lifestyle
- Sense of belonging
- Social network/environment
- Healthy and safe environments
-

3. Target clients

Vulnerable groups, such as:

- Young children
- Single parent or low-income families
- Aboriginal or other linguistic and cultural minorities
- Persons with disabilities
- Persons living alone
- Seniors

4. Eligible organizations

The following organizations on the territory of the MRC du Golfe-du-Saint-Laurent are eligible:

- MRC, municipalities and municipal organizations;
- Band Councils of aboriginal communities;
- Non-profit organizations;
- Cooperatives;

- Social economy enterprises (excluding those in the financial sector);
- Education network organizations;
- Educational childcare network.

5. Admissible expenses

- Salaries and benefits proportional to the tasks assumed by the employee;
- Travel and meal expenses required for travel;
- Materials and equipment;
- Start-up funds for a food cooperative, a workers cooperative, a non-profit organization or a social economy enterprise with a mission in health and social services;
- Professional fees.

6. Inadmissible expenses

- Those related to already completed projects;
- Expenses incurred before the project acceptance date, specifically before the signing of the agreement;
- Projects eligible and reimbursable by other funding programs;
- Projects related to cost overruns or to pay off already existing debt;
- Recoverable taxes;
- Human resources or any other expenses related to regular activities and administration of the recipient organization.

7. Criteria of analysis

The criteria for analysis will be based on the following:

- Eligibility
- Relevance
- Effectiveness
- Sustainability
- Acceptability

8. Terms and conditions for filing a request for financial assistance

There is no application deadline date. Projects submitted must be given a 2 month period for the project analysis process.

Project applications must be accompanied by the following:

- The *Financial Assistance Form*, duly completed and signed;
- For a Municipality, a resolution of the municipal council formally supporting the project title, the amount requested, the total cost of the project and the name of the applicant;
- For an organization, a resolution of the board of directors indicating the name of the designated person to sign on behalf of the organization, any document relating to the assistance, as well as the amount of the organizations contribution toward the project;
- Any other document relevant to the analysis of the application:
 - Confirmation of financial partners;
 - Price quotes;
 - Financial report;
 - Charter information.

9. [Steps to submit a request for financial assistance](#)

- Meeting with the agent responsible at the request of the promoter;
- Deposit of the completed project with all required documents;
- Analysis of the project by the advisory committee, who issues a recommendation to the council of the MRC;
- Decision by the council of the MRC;
- Response time following project submission: 45 to 60 days;
- Follow-up with the promoter followed by the signature of the agreement.

10. [Financial assistance and terms of payment](#)

The financial assistance is made in the form of a non-reimbursable grant. Authorized projects will be subject to the signing of a financial agreement between the MRC du Golfe-du-Saint-Laurent and the organization. This agreement will define the conditions for the payment of financial assistance and obligations of the parties. Disbursements will be determined based on the amount requested and stages of the project.

To obtain the final payment, a promoter must provide the MRC du Golfe-du-Saint-Laurent with an activity report, and any/all other required documents.

All projects must be completed within eighteen months of the signing of the financial agreement unless the HCDSF fund deadline of March 31st, 2021 is impending.

Maximum contribution of \$10,000.

- The financial aid granted cannot exceed 80% of the total project cost;
- The total amount of government assistance cannot exceed 80% of eligible expenses.

QUEBEC SOCIAL INITIATIVES FUND (FQIS)

The following conditions apply:

- Projects funded by the FQIS must directly target poor, underprivileged or marginalized individuals and families;
- Projects eligible for funding by the FQIS must be aimed at fighting poverty and social exclusion. They may address issues such as social and community development, the prevention of poverty, and the improvement of the conditions of those living in poverty;
- Priority will be given to projects carried out in areas where poverty is more prevalent.

STRUCTURING INITIATIVES

The Québec Social Initiative Fund (FQIS) aims towards projects with the following initiatives:

- **Promote access, acquisition and conservation of basic goods and services**
- **Empowering the disadvantaged**
- **Promoting social inclusion**
- **Support the initiatives of organizations working with people experiencing poverty**
- **Social cohesion**
- **Education/perseverance/literacy (school perseverance and early childhood, prevention of dropping out of school, socio-professional integration)**
- **Income/employment/job security/unemployment**
- **Affordable housing, social housing, emergency measures**
- **Meeting basic needs**
- **Food Safety**
- **Innovating in self-financing and volunteer recruitment**

TARGET CLIENTS

Vulnerable groups, such as:

- Female/Male victim of domestic violence
- Single parent or low-income families
- Aboriginal or other linguistic and cultural minorities
- Persons with disabilities
- Unemployed individuals
- Children (0-17 years) and young people (15-24 years), especially those with little schooling and no future employment
- Seniors (isolation, distress, housing)
- Persons with a mental health problem

ELIGIBILITY

ELIGIBLE INITIATIVES:

- Initiatives to combat poverty and social exclusion, in particular intervention projects in the fields of social and community development, poverty prevention, support for the integration into employment of people far from the labour market, social integration, improvement of the living conditions of people experiencing poverty in environments with a concentration of poverty (more devitalized);
- Innovative initiatives of an experimental or structuring nature, as well as research in the fight against poverty and social exclusion.

INELIGIBLE INITIATIVES:

- Projects related to the overall mission of an organization (regular operating activities);
- Capital expenditures.

ELIGIBLE ORGANIZATIONS

The following organizations on the territory of the MRC DU GOLFE-DU-SAINT-LAURENT are eligible:

- The MRC, municipalities and municipal organizations;
- Band Councils of aboriginal communities;
- Non-profit organizations;
- Cooperatives;

NON-ELIGIBLE ORGANIZATIONS

The following organizations on the territory of the MRC DU GOLFE-DU-SAINT-LAURENT are not eligible for funding:

- Social economy enterprises (excluding those in the financial sector)
- Government departments and organizations
- Education networks
- Organizations whose operations are interrupted due to a labour dispute (strike or lockout).

ELIGIBLE EXPENSES:

- Necessary expenses directly related to the implementation of the accepted initiatives;
- Salaries for human resources directly related to the implementation of accepted initiatives, provided that the salaries correspond to those usually paid by the organization itself to employees in comparable positions and performing comparable tasks, or to salaries paid by comparable organizations in the local or regional environment.

INELIGIBLE EXPENSES:

- Those related to already completed projects;
- Expenses incurred before the project acceptance date, specifically before the signing of the agreement;

- Projects eligible and reimbursable by other funding programs;
- Projects related to cost overruns or to pay off already existing debt;
- Cost Overruns;
- Expenditures to purchase or renovate real estate or transportation vehicles
- Salary of Human resources or any other expenses related to regular activities and administration of the recipient organization.

PROMOTER'S FUNDS AND CUMULATIVE GOVERNMENT AID

- Cumulative government assistance may not exceed 90% of eligible expenses for the total project cost.
- The following may be counted as part of the minimum 10% contribution: financial contributions paid by the partner for the purposes of the project, the value associated with the loan of human resources dedicated to its implementation, material resources made available to the projects (premises, equipment, etc.) and services rendered directly related to the project, in compliance with the guidelines defined in the *Eligible and ineligible Expenses* sections. However, the value of the service rendered by volunteer resources cannot be counted as part of the minimum 10% contribution.
- The FQIS contribution is a government contribution.

CRITERIA OF ANALYSIS

The criteria for analysis will be based on the following:

- *Impact of the initiative;*
- *Characteristics of the initiative in terms of the objectives, pursued, nature, relevance to the action plan, originally of the proposed activities*
- *Realistic planning*
- *Capacity of the organization to carry out the initiatives*
- *Diversity of financial contributions*
- *Size of the territory and population density (the initiative affects more than one municipality);*
- *Innovative and structuring nature of the initiative*
- *Support from the middle;*
- *Recurrent funding for activities arising from the initiative after the grant period*

STEPS FOR A REQUEST FOR FINANCIAL ASSISTANCE

1. Meeting with the responsible development agent at the request of the promoter;
2. Deposit of the completed project with all required documents;
3. Analysis of the project by the advisory committee, who issues a recommendation to the council of the MRC;
4. Decision by the council of the MRC;
5. Response time following project submission: 45 to 60 days;
6. Follow-up with the promoter followed by the signature of the agreement;

FINANCIAL ASSISTANCE AND TERMS OF PAYMENT

The financial assistance is made in the form of a non-reimbursable grant. Authorized projects will be subject to the signing of a financial agreement between the MRC du Golfe-du-Saint-Laurent and the organization. This agreement will define the conditions for the payment of financial assistance and obligations of the parties. Disbursements will be determined based on the amount requested and stages of the project.

To obtain the final payment, a promoter must provide the MRC du Golfe-du-Saint-Laurent with an activity report, and any/all other required documents.

All projects must be completed within eighteen months of the signing of the financial agreement unless the FQIS fund deadline of March 31st, 2023 is impending.

TERMS AND CONDITIONS FOR FILING A REQUEST FOR FINANCIAL ASSISTANCE

There is no application deadline date. Projects submitted must be given a **two month period** for the process of analyzing a file.

Project applications must be accompanied by the following:

- The *Financial Assistance Form*, duly completed and signed;
- For a Municipality, a resolution of the municipal council formally supporting the project title, the amount requested, the total cost of the project and the name of the applicant;
- For an organization, a resolution of the board of directors indicating the name of the designated person to sign on behalf of the organization, any document relating to the assistance, as well as the amount of the organizations contribution toward the project;
- Any other document relevant to the analysis of the application:
 - Confirmation of financial partners
 - Price quotes
 - Financial report
 - Charter information
 - Letters of support
- Copy of services or tender, if applicable
- Letter(s) of commitment from the partner(s) involved indicating the nature of the contribution (if confirmed)

STRUCTURING PROJECTS SUPPORT POLICY (SP)

OBJECTIVE OF THE POLICY

In conformity with the objectives of the Agreement on the Regions and Rurality Fund - Component 2 Support for local and regional development, the MRC du Golfe-du-Saint-Laurent is implementing this Policy to support structuring projects.

The purpose of this policy is to mobilize communities and support the implementation of structuring projects. The MRC will ensure its implementation, updating and dissemination.

Territory of Application

The structuring project policy applies to the entire territory of the MRC du Golfe-du-Saint-Laurent

Intervention priorities

The following fields of intervention are prioritized:

Fishery;
Aquaculture;
Agrofood;
Tourism;
Leisure;
Economic diversification;
Labour training;
Transportation;
Telecommunication;
Environment;
Fire safety.

The following clientele are also prioritized:

Youth;
Families;
Seniors.

Admissible organizations/businesses

Municipal organizations;
Band councils of Innu communities;
Cooperatives;
Non-profit organizations;

Organizations from the education sector;

Businesses, private or social economy, with the exception of private businesses from the financial sector;

Persons interested in starting a business.

Admissible expenses

- Salaries and wages for the realization of the project including the Mandatory-Employment Related Costs (MERC's) and social benefits. However, these expenses cannot make up the entire request for funding unless it can be proven that after the financial support of the MRC, the candidate hired will remain in the same position with the same benefits for at least 12 months. Otherwise, salaries including MERCs and social benefits are only admissible at 50% of the project cost up a maximum amount of \$17,500 per project.
- Professional fees;
- Capital expenditures such as land, buildings, equipment, machinery, rolling stock, incorporation fees, transportation and installation costs and other similar expenses;
- The acquisition of technologies, software packages, patents and any other similar expenses;
- Other costs inherent to the development and realization of the project.

Inadmissible expenses

- Expenses related to projects already completed and expenses incurred prior to the signing of the financial assistance agreement are not eligible;
- The financing of debt, the repayment of loans or the financing of a completed project;
- Any form of loan, loan guarantee, equity investment, etc.;
- Infrastructure, services, works or current operations normally financed by municipal budgets or government programs which include:
 - o construction or renovation of municipal buildings;
 - o infrastructure;
 - o services and landfill sites, work or current operations related to waterworks and sewers;
 - o works or current operations related to road works, buildings, roads, power supplies and day-to-day operations of fire and security services;
 - o Maintenance of recreational and cultural facilities.
- Any expenditure to move a business or part of its production outside the local municipality where it is located, unless the municipality agrees;
- Projects in direct competition with an existing business;
- Any expense made to support a project in the retail or restaurant sector, other than to provide a local service*;

* To be eligible, a proximity service in a municipality of the MRC must meet the following criteria:

- The service does not compete with any other similar business in the municipality;
- The service is not located within a fifteen (15) kilometer radius of a similar service in another village or municipality;
- The service is essential to the development and diversification of the community.

Nature of financial assistance

Financial assistance is in the form of a non-reimbursable contribution that cannot exceed the amount of \$35,000 per project.

Financial assistance is determined as follows:

90% for non-profit organizations and other;

50% for private businesses.

How to submit an application

Applications may be submitted on an ongoing basis. Once the file is completed, it will be presented to the MRC council. The decision-making committee is composed of the council of the MRC du Golfe-du-Saint-Laurent. All requests must be accompanied by the following documents in order to be analyzed:

- Application form duly completed and signed;
- Resolution of the organization or company authorizing a person responsible and designating a signing authority;
- Copy of the most recent financial statements;
- Personal balance sheet; (private business are required to provide this document in the case of a new business start-up);
- Quotes (invoices are not admissible);
- Confirmation of financial contribution from the promoter (proof is required);
- Written confirmation of partners;
- Support letters.

8. Project analysis criteria

Projects will be analyzed based on the following factors:

Structuring aspect of the project;

Projects supporting devitalized territories;

Sustainability of the project;

Job creation/maintenance;

Community mobilization;

Valorization of new niche market.

BUSINESS SUPPORT POLICY

Objective:

In conformity with the objectives of the Regions and Rurality Funds – Component 2 Support for local and regional development, The MRC du Golfe-du-Saint-Laurent is implementing this Business Support Policy.

This policy aims to:

- Promotes the creation and/or maintenance of sustainable jobs;
- Offer continuous support to entrepreneurs with the realization of their project (business plan, studies, references);
- Promote social development and support the promoters of social economy enterprises;
- Accompany, support technically and/or financially potential entrepreneurs or those already in business (consulting, orientation, referral activities, training support);
- Offer and manage the programs offered to our clients (support for self-employed workers (SEA), employment assistance services);

Business loans are also offered: the Local Investment Fund (FLI) and the Local Solidarity Fund (FLS);

GENERAL INFORMATION

This section is intended to provide general information about the Business Support Policy. However, it should be noted that specific criteria may be attached to each fund in the definition of available funds in the annexes.

Territory of application

The business support policy applies to the entire territory of the MRC du Golfe-du-Saint-Laurent.

Eligible organizations

- Cooperatives;
- Non-profit organizations;
- Municipal organizations;
- Private or social economy enterprises, with the exception of private enterprises in the financial sector;
- Individuals wishing to start a business.

Eligible Expenses

- Capital expenditures such as land, buildings, equipment, machinery, rolling stock, incorporation, transportation, installation and other similar expenses;
- Expenditures for the acquisition of technology, software or software packages, patents and any other similar expenditures.

Ineligible Expenses

- Expenses incurred prior to the signing of the financial assistance agreement are not eligible;
- The financial assistance granted cannot be used for the operation of an organization, to finance its debt servicing, to repay future loans or to finance a project that has already been completed;
- Any form of loan, loan guarantee or equity investment;
- Real estate used for residential and/or commercial purposes, or any rental property whose sole purpose is to generate income through the rental or sale of such property;
- Projects in direct completion with an existing business;
- Any expenditure to move a business or part of its production outside the local municipality where it is located, unless the municipality agrees;
- Any expense made to support a project in the retail or restaurant sector, other than to provide a local service*;

* To be eligible, a proximity service in a municipality of the MRC must meet the following criteria:

- The service does not compete with any other similar business in the municipality;
- The service is not located within a fifteen (15) kilometer radius of a similar service in another village or municipality;
- The service is essential to the development and diversification of the community.

Processing of an application

Applications may be submitted on an ongoing basis. Once the file is completed, it will be presented to the MRC council. The decision-making committee is composed of the council of the MRC du Golfe-du-Saint-Laurent. All requests must be accompanied by the following documents in order to be analyzed:

- Application form duly completed and signed;
- Resolution of the organization or company authorizing a responsible person and designated signatory;
- Copy of the most recent financial statements;
- Personal balance sheet, if applicable (private business promoters are required to provide this document in the case of a new business start-up);
- Quotes (Invoices are not admissible);
- Confirmation of the promoter's financial contribution (proof is required);
- Written confirmation of partners;
- Letters of support.

The Funds (in Annexe)

Annexe 1 - Entrepreneurship and Economic Diversification Fund (EEDF)

Annexe 2 - Social Economy Enterprise Development Fund (SEF)

Annexe 3 - Concertation Enterprise Trade Fund (CETF)

Annexe 4 - Maritime and Tourism Industry Development Fund (FDIMT)

Annexe

Annexe 1 - Entrepreneurial and Economic Diversification Fund (EEDF)

1. Funds objective

This fund aims entrepreneurs and young entrepreneurs between the ages of 18 and 35 who wish to start a new business, acquire an existing business or expand and whose objective is to contribute to the economic diversification of the MRC du Golfe-du-Saint-Laurent.

This fund has of 4 components:

Component 1: Creation of a new business

Start-up of a business, legally constituted by the promoter.

Component 2: Acquisition of a business

Acquire shares in an existing business on the territory of the MRC.

Component 3: Expansion or diversification

Increase a business' capacity, enlarging its scale by offering additional products and services or manufacturing a variety of products or selling a variety of merchandise.

This component also includes feasibility, opportunity and marketing studies.

Component 4: Training

Allow promoters who have been approved for funding for start-up to benefit from financial aid for training relative to their project.

2. Admissible expenses

a) Creation, acquisition or expansion of a business

Capital expenditures such as land, buildings, equipment, machinery, rolling stock, incorporation fees, transportation and installation fees and other similar expenses;

The acquisition of technologies, software packages, patents and any other similar expenses.

Legal and professional fees and any other fees incurred for the consultation of specialists required to carry out studies.

b) Training

Eligible training may include:

Training courses offered via the Internet or correspondence;

Training seminars offered by business support or business development organizations or associations;

Business skills training and counselling designed to enhance the client's overall knowledge in business related skills;

Costs associated with providing business skills training to potential entrepreneurs or existing entrepreneurs that can be in the form of, but not limited to, one-on-one consultation, classroom style courses, seminars and conferences, in areas such as:

- Accounting/bookkeeping;
- Strategic planning;
- Cash management and profitability;
- Food and staff costs;
- Marketing and promotion;
- Business networking;
- Food handling;
- Public relations.

3. Nature of financial assistance

Financial assistance is in the form of a non-reimbursable contribution.

Component 1 to 3: Creation, acquisition or expansion of a business

The MRC's contribution is set at \$7,500. An additional \$1,500 is granted to the promoter if they are between the ages of 18 and 35. The amount of financial assistance may not exceed \$9,000 per project (maximum of 2 promoters).

In the case of 2 promoters, funding will be determined according to share declaration. Whether it is promoter 1 or promoter 2, one of them must hold at least 51% of the business's shares.

Component 4: Training

Under this component, a promoter may be reimbursed 100% of eligible expenses up to a maximum of \$1,000.

Eligible expenses include registration fees, materials and other costs related to the promoter's participation in approved training activities.

The promoter has one year after the acceptance of their project to benefit from this financial assistance.

The combined financial assistance from the federal and provincial governments and the MRC may not exceed 50% of eligible expenses

4. Other conditions required

Possess appropriate experience or training in the business;

Commit to work full-time in the business.

Annexe 2 - Social Economy Fund (SEF)

1. Funds objective

This fund aims to support the development and the growth of social economy, i.e. production of goods and services by organizations built on a community based entrepreneurship. These projects, financially viable, and socially inclined will contribute to improving the quality of life and community development.

2. Admissible organizations/businesses

All incorporated non-profit organizations;

Cooperatives.

“Social economy” means all the economic activities with a social purpose carried out by enterprises whose activities consist, in particular, in the sale or exchange of goods or services, and which are operated in accordance with the following principles:

- the purpose of the enterprise is to meet the needs of its members or the community;
- the enterprise is not under the decision-making authority of one or more public bodies within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1);
- the rules applicable to the enterprise provide for democratic governance by its members;
- the enterprise aspires to economic viability;
- the rules applicable to the enterprise prohibit the distribution of surplus earnings generated by its activities or provide that surplus earnings be distributed among its members in proportion to the transactions each of the members has carried out with the enterprise;
- The rules applicable to a legal person operating the enterprise provide that in the event of its dissolution, the enterprise’s remaining assets must devolve to another legal person sharing similar objectives.

For the purposes of the first paragraph, a social purpose is a purpose that is not centred on monetary profit, but on service to members or to the community and is characterized, in particular, by an enterprise’s contribution to the well-being of its members or the community and to the creation of sustainable high-quality jobs.

A social economy enterprise is an enterprise whose activities consist, in particular, in the sale or exchange of goods or services, and which is operated, in accordance with the principles set out in the first paragraph, by a cooperative, a mutual society or an association endowed with legal personality. (2013, c. 22, p. 3.)

3. Admissible projects

Projects falling within the definition of social economy have certain characteristics that differentiate them from traditional private sector projects. These characteristics are:

- The promoter;
- The definition of the market;
- The feasibility of the project;

- The financing and viability of the project;
- Job creation and human resources management;
- The economic and social profitability of the project:
 - Respond to the social needs of its members or the community;
 - Create sustainable employment;
 - Aim to create economic and social sustainability;
 - Be in the start-up or expansion and diversification phase;
 - Obtain the investments as forecasted in the business plan;
 - Aim to complete operational and financial autonomy.

All projects will be evaluated on a case-by-case basis.

4. Nature of financial assistance

Financial assistance is in the form of a non-reimbursable maximum contribution of \$10,000 per project.

The promoter's contribution must represent 10% of the total project cost.

5. Other conditions required

Create or maintain 1 permanent job over the next two 2 years;

SOCIAL ECONOMY BUSINESS

With regards to non-profit organizations created constituted under Part III of the Companies Act, only social economy businesses are admissible to the **Local Funds*** provided that they respect the following conditions:

- Be a social economy business respecting the following characteristics:
 - Production of goods and services of social value;
 - Democratic management process;
 - Importance of people over capital;
 - Collective empowerment;
 - Impact on local and community development: notably the creation of sustainable employment, the development of new services and the improvement of the quality of life;
 - Apply the entrepreneurial philosophy through their management techniques.
- Operate on a market economy basis;
- Have completed the implementation and start-up phases;
- Be in the expansion phase;
- Have a majority of permanent employment (not subsidized by one-time programs); in addition to the quality of employment, they should replace employment from the public or para public sectors;
- Have a net worth of at least 15% of the total assets;
- Be able to self-finance at 60% (the sources of income represents 60% of the total revenue and could include governmental and contractual agreement).

The portfolio of the **Local Funds** must consist of up to 25% of social economy businesses.

The **Local Funds** does not intervene in any housing projects. However, in the context of the development of services for tenants or residents, the **Local Funds** can finance, for example, projects for equipment purchases or to establish structures to improve the quality of living.

Also, organizations that are under the jurisdiction of the Government of Quebec or that manage a program under the jurisdiction of the Government of Québec are not eligible, such as subsidized daycares (CPE), homecare services, perinatal centers, educational services, housing, and the Regional County Municipalities (MRC or the equivalent).

***Local Funds** refers to the Local Investment Fund and Local Solidarity Fund (FLI/FLS) – Please refer to the Common Investment Policy (pages 36-45).

Annexe 3 - Concertation, Enterprise Trade Fund (CETF)

1. Funds objective

This fund has dual objectives:

1) Concertation: The actions of many people working together for a common goal. This funding is available to assist in the financing of forums (fishery, tourism, etc.), assemblies and meetings to discuss issues pertaining to a specific industry, including the development of strategies within the sectors of the economy involved or in the development of the territory of the MRC.

2) Enterprise trade: To support the growth of the Lower North Shore's business activities through market penetration and expansion. Financial assistance is available for attending trade shows, conventions, conferences or other similar events.

2. Admissible businesses

This fund is open for all types of businesses: proprietorships, partnerships, corporations, for-profit and non-profit organizations, cooperatives and associations.

3. Admissible expenses

Concertation activities: The MRC will determine, upon receipt of the registration form (Appendix D), the eligible amount for the event. Reimbursement will be made upon presentation of supporting documents.

Enterprise trade: Admissible expenses include transportation, lodging, meals and registration fees (if applicable). The maximum contribution is \$2,000 per promoter per project.

4. Nature of financial assistance

This fund has a maximum annual budget of \$10,000.

For-profit organizations: The promoters' contribution must represent 50% of the total project cost.

Non-profit organizations: The promoters' contribution must represent 10% of the total project cost.

Annexe 4 - Maritime and Tourism Industry Development Fund (FDIMT)

The decisions on projects submitted under this fund are taken by a management committee, composed of representatives from the MAMH and the MRC du Golfe-du-Saint-Laurent not by the council of the MRC.

TOURISM INDUSTRY DEVELOPMENT:

This fund was created as part of the Sectoral Agreement for the Development of the Maritime and Tourism Industry of the MRC du Golf-du-Saint-Laurent thanks to the Fonds d'appui au rayonnement des régions of the Ministère des Affaires municipales et de l'Habitation and the MRC du Golfe-du-Saint-Laurent.

Category 1: Improving the Touristic Image of the LNS. Up to \$50,000 per project, to:

- Development of new tourism products for the region;
- Improving the visibility of the Lower North Shore as a tourism destination;
- Facilitates the upgrading of lodging and hotel services on the Lower North Shore, therefore improving the tourism image and quality of services within the region;
- Encourages increased marketing efforts towards tourism on the territory.

Category 2: Human Resources. Up to \$20,000 per project, to:

- Contribute to the long term sustainability of tourism products through the funding of salaries within tourism businesses and organizations;
- Funds the salary of human resources (employees) within tourism organizations. A request for salary must be paired with an initiative or pilot project the organization wishes to undertake;
- Aids organizations on the territory to become sustainable, through the development of new initiatives.

Category 3: The Start up or Acquisition of Tourism Businesses. Up to \$50,000 per project, to:

- Seek to develop or start-up a tourism related business on the territory, which will increase the touristic capacity or touristic image of the region;
- Seeks to acquire (purchase/take-over) an already existing tourism business on the territory of the Lower North Shore, contributing to the sustenance and prolonged success of current tourism businesses in the region.

Admissible organizations

- Municipal organizations (in relation to tourism projects);
- Band council of Innu communities;
- Cooperatives;
- Non-profit organizations;
- Tourism related businesses: private or social economy, with the exception of businesses from the financial sector;
- Any person(s) wishing to start-up a business.

MARITIME INDUSTRY DEVELOPMENT

This fund was created as part of the Sectoral Agreement for the Development of the Maritime and Tourism Industry of the Lower North Shore thanks to the Fonds d'appui au rayonnement des régions of the Ministère des Affaires municipales et de l'Habitation and the MRC du Golfe-du-Saint-Laurent.

Category 1: Modernization. Up to \$80,000 per project, to:

- Upgrade of obsolete equipment and/or infrastructure in seafood processing plants.

CATEGORY 2: Business Acquisition. Up to \$50,000 per project, to:

- Acquisition of a legally constituted and recognized business in the territory, operating in the field of existing processing plants, fishing or aquaculture commercial enterprises.

Admissible organizations:

- Marine product processing plants for categories 1 and 2;
- Commercial fishing enterprises for category 2;
- Commercial aquaculture enterprises for category 2;
- The aid granted may not exceed 90 % for NPOs and 50 % for private business of the total cost of the project;
- The combination of government aid may not exceed 90% for NPOs and 50% for private enterprises of the eligible expenses.

Admissible expenses:

- Capital expenditures such as land, buildings, equipment, machinery, rolling stock, transportation and installation costs and any other similar expenses;
- Expenditure on the acquisition of technology, software and software packages, patents or any other similar expenditure;
- Legal and professional fees and all other expenses incurred for the consultation of specialists required to carry out the studies.

FUNDS MANAGED BY THE MRC

SELF-EMPLOYMENT ASSISTANCE (SEA)

1. Funds objective

This program offers assistance in the form of financial and technical support. This support is intended for income security recipients, employment insurance recipients, people “without employment and income” and workers with an uncertain income to start-up or purchase an existing business.

2. Admissible candidates

- Candidates must have experience or competencies relative to the field of their project;
- Candidates must work a minimum of thirty-five (35) hours per week toward the start-up of their business;
- Candidates must be liberated from all judgments of bankruptcy (provide necessary documents, if needed), and any legal procedure (lawsuit);
- Candidates must make a financial contribution to the project of at least 15% of the project cost. These contributions can be in the form of goods such as buildings, equipment, furniture, etc. This contribution would be included in the minimum investment required of another fund managed by the MRC, being used in the realization of this project;
- Candidates must accept to be followed-up by the SEA coordinator throughout the elaboration and start-up phases of the project.

3. Admissible projects

Create a new or purchase an existing business. In the case of a self-employed worker receiving employment insurance, be in the consolidation phase.

4. Inadmissible projects

- Businesses in a sector with a high level of competition, a saturated market or a sector of the economy deemed not a priority;
- Businesses controlled by a party other than the promoter, such as franchises;
- Businesses with a sexual, religious or political nature or any other activity that could be considered controversial, and where it would not be reasonable to associate the names of the Ministère du Travail, de l'Emploi et de la Solidarité sociale.

5. Nature of financial assistance

- The maximum amount of income support available is equivalent to the minimum wage multiplied by thirty-five (35) hours per week;
- For participants already receiving employment insurance, they will keep their rate of benefit until the end of their regular benefit period, if that amount is greater than the calculated amount (minimum wage rate multiplied by thirty-five (35) hours per week).

6. Duration

The duration of the financial aid can be up to a maximum of fifty-two (52) weeks. The number of weeks allocated is divided into stages: sixteen (16) weeks for the pre-start-up phase, which includes the development of a concise business plan and secure funding. The remaining weeks are allocated for the consolidation phase, which is further divided into stages and approval depends on the successful completion of the set objectives. Accepted projects are also eligible for a post start-up follow-up for a period of one year, with no income support.

7. Obligations of both parties

Failure to adhere to the terms and conditions outlined in the agreement will result in the termination of the participant's eligibility for this program.

Participant obligations

The participant is responsible to work a minimum of thirty-five (35) hours per week while developing a concise business plan. They are expected to maintain proper records and bookkeeping pertaining to the business being established. They will allow the appointed representative access to these records and follow directives from the coordinator with respect to the development of the project. They must inform the coordinator of any changes to their personal situation that could affect the disbursement of basic or supplementary benefits.

MRC obligations

The MRC will act as coordinator and provide the participant with basic and or supplementary allowance that they are entitled to under this program as well as an evaluation of their ability to be self-employed.

COMMON INVESTMENT POLICY (FLI/FLS)

Hereafter called the “**Local Funds**”

1. Fundamentals of the programs

Mission of the funds

The mission of the **Local Funds** is to financially assist and technically support new and existing enterprises, create and maintain jobs within the territory of the MRC du Golfe-du-Saint-Laurent.

Objectives

The objective of the **Local Funds** is to provide adapted finance tools which will accelerate the realisation of entrepreneurial project on the territory, as well as intervene in a proactive manor.

The **Local Funds** encourage entrepreneurial spirit and supports entrepreneurs in the development of their projects, in order to:

- Create and sustain viable businesses;
- Finance the start-up, expansion or acquisition of businesses;
- Support the development of employment;
- Contribute to the economic development of the MRC du Golfe-du-Saint-Laurent.

Support to promoters

Promoters applying to the **Local Funds** are entitled to support, advice and technical assistance for their project. As manager of the Local Funds, the MRC will provide this service to promoters.

Mentoring projects, especially for business start-up, is an excellent way to increase the chances of success and enrich a file.

Financing

The **Local Funds** are generally intended to provide or ensure the company’s working capital necessary for the success of the a project.

The financial support of the **Local Funds** can be an essential tool in obtaining financing from other financial sources such as a conventional loan from a financial institution, as a grant or as a down payment on other seed capital.

2. Investment criteria

The economic viability of the business to be financed

The business plan of the enterprise must demonstrate a continued profitability, repayment capacity and good future prospects.

The economic benefits in terms of job creation

One of the most important aspects of the **Local Funds** are the financial and technical assistance of businesses, to create and maintain jobs within the MRC du Golfe-du-Saint-Laurent.

The knowledge and experience of promoters

The true strength of the company is based on human resources. In this sense, promoters must demonstrate knowledge and experience in relevant fields, as well as management skills. If the promoter shows a weakness in this area, the Common Investment Committee (CIC) will ensure that they have the internal and external resources of support and advice.

Openness towards workers

Openness of the business towards their workers and their approach to labour relations are also considered in the analysis of a funding application.

Subcontracting and privatization of operations

Local funds may not be used to invest in companies engaged in activities aimed solely at subcontracting or privatizing operations or certain operations, which would only displace an economic activity and jobs from one organization to another.

Involvement of other funding partners

Capital contributions from other funding sources, specifically a minimum contribution from financial institutions and the promoter's financial contribution are highly desirable in the projects submitted.

Sustainability of the funds

Maintaining and managing the Local Funds guides the CIC's choices in which businesses to support. For each project presented the impacts of the portfolio is analysed for the perspective of balance and sustainability of the funds.

3. Investment policy

3.1. Admissible projects

The **Local Funds** can invest in projects in the following categories:

- Start-up
- Expansion
- Business acquisition
- Consolidation

Pre-start up projects

Pre start-up projects are excluded from the **Local Funds** investment policy. Only companies in the marketing stage of development are admissible.

Acquisition of shares

Under the FLI program only, the acquisition of shares or company takeover is admissible to eligible candidates under the age of 35 years. The acquisition must be at least 25% of the value of the business. The goal of this category is to foster the next generation of owners within existing businesses. By supporting the process of transferring ownership and preparing adequate succession, several jobs can be saved.

Financial aid will be determined by the MRC and granted in the form of an interest free loan up to a maximum of \$25,000. It can also include a moratorium of capital for the first year. A loan under this category to a young promoter can reach a maximum contribution rate of 80% of admissible expenses. Also, the total financial assistance from the Government of Canada, Quebec and the MRC cannot exceed 80% of admissible expenses. Expenses which are considered admissible are those for the acquisition of shares (voting and nonvoting), and for professional fees directly related to the acquisition of shares.

Young promoters must provide proof of an agreement between the owner(s) of the existing business which describes the intent to ensure succession within the company. Young promoters must also provide all relevant documents showing that he/she has obtained ownership in the business, or at least 25% of the value of the business.

Any transactions of acquisition of ownership entered before the official reception date of the request for assistance from the MRC is not eligible. Following analysis of the file, certain conditions could be required and defined in the loan contract.

Consolidation projects

Consolidation projects are allowed under the **Local Funds** only if the balance of the portfolio permits. However, at no time, can the **Local Funds** intervene in a company whose equity is negative after the project is complete.

A consolidated enterprise who received **Local Funds** must:

- Have sufficient cash flow for operations without crisis;
- Rely on strong management;
- Not depend on a declining market or a single client;
- Develop and implement a recovery plan;
- Have mobilized a maximum number of partners for its recovery;
- Be supported by the majority of its creditors.

3.2. *Admissible businesses*

All legally constituted businesses who are operating on the territory of the MRC and have their head office in Quebec are admissible to the **Local Funds** as long as they are registered with the *Registraire des Entreprises du Québec* (REQ). In that sense, all legal forms are admissible.

Loans directly to promoters

The **Local Funds** can only fund companies directly. Therefore, these funds are not directly issued to an individual.

Non-profit organizations (OBNL)

With regards to non-profit organizations, as described in law III of the *Loi sur les compagnies du Québec*, only social economy businesses are eligible to the **Local Funds**, provided that they meet the conditions described in Annex A.

3.3. *Admissible clientele*

All start-up or expansion businesses, including those from social economy, whose objectives fits the orientations of the MRC's investment policy.

All entrepreneurs or group of entrepreneurs wishing to acquire a significant participation of at least 25% of the value of an existing business or 25% of the fair value of its assets in preparation for takeover.

All projects financed under this category must take part in an approach to transfer the management and ownership of a business from a transferee to a contractor or group of contractors. The mere purchase of a business is not eligible.

3.4. *Admissible activities*

All sectors of activity are admissible to the **Local Funds** if they are linked with the intervention priorities of the MRC. In addition, the analysis of the project should include a section which demonstrates how the perspective investment corresponds with these priorities.

3.5. *Admissible expenses*

- Capital expenditures such as land, buildings, equipment, machinery, rolling stock, incorporation fees and other similar expenses, except for goodwill costs;
- The acquisition of technologies, software packages, patents and any other similar expenses, except for research and development activities;
- Working capital strictly associated with the functioning of the business calculated for the first year of operation;
- Additional working capital calculated for the first year following an expansion project.

Takeover

- Expenses related to acquiring land title of the targeted business (voting shares or shares);
- Expenses related to the purchase of assets of the targeted business;
- Professional service fee directly linked to the buy-out transaction.

3.6. *Funding available*

The **Local Funds** is a partnership between the Local Investment Fund (FLI) and the Local Solidarity Fund (FLS), each investment made has to proportionally respect the maximum investment of the both individual funds. As described in the partnership agreement between the FLI/FLS:

- The maximum amount of funds which can be invested by the FLS to the same company, firm or affiliate company group as described in the Securities Act cannot exceed \$100,000 or 10% of the funds authorized and committed by the partners of the FLS. If the contributions paid by the local partners are less than \$250,000, then the funds engaged by the FLS-FTQ will be equal to that of the local partners.
- The maximum amount of funds which can be invested by the FLI on the general category can range between \$5,000 and \$125,000.
- Under the FLI acquisition of shares or takeover category, loans can take the form of an interest free loan up to a maximum of \$25,000 per project, and no reimbursement of capital for the first year.

3.7. *Types of investment*

The types of investment which can be issued from the **Local Funds** are participation loans with a royalty charged on net earnings or sales growth or an option to purchase shares. Investments can also be made through secured or non-secured loans. Investments are generally permitted for a period varying from 1 to 7 years.

In the case of a takeover or buyout, the FLS can be involved in providing a loan called "Cash Flow" With this type of loan; the principal is paid annually on a specific percentage of the businesses surplus funds generated.

<u>Surplus Funds Generated</u>
Net Profit
+ Amortization
- Payment of long term debt recognised at the time of the investment
- Capital expenditures recognised at the time of investment

Interest is payable monthly. The theoretical maximum repayment term is 10 years. Under no circumstances can investments from the Local Funds be made in the form of a non-repayable grant. Under no circumstances can investments from the FLS be in the form of a capital share purchase regardless of the category of loan.

3.8. *Interest rates*

The common investment committee (CIC) has adopted an interest rate strategy based on the performance of the principle they desire. The interest rates will be set using the analysis of five (5) factors. The grid provided by the FLS-FTQ is used to determine the level of risk for each investment request. From the risk level the interest rate can be attributed according to the rate schedule. Should a change in the rate on return of the Local Funds investments be required, the CIC must demonstrate that the rates adopted will ensure the sustainability of the fund.

Table of interest rates

Calculation of the interest rate for FLI

The interest rates of the investments are calculated by adding the assigned risk rate to the preferential rate (PR) at the Caisse centrale Desjardins. For all loans exceeding 60 months, the interest rate of the investments is calculated by adding a 1% amortization premium.

Risk/Type of loan	Base Rate	Non-Guaranteed Loan
		Risk Premium
Very weak	PR	+1%
Weak	PR	+2%
Medium	PR	+3%
High	PR	+4%
Extreme	PR	+5%
Excessive	N/A	N/A

Calculation of the interest for FLS

The interest rates of the investments are calculated by adding the assigned risk rate to the base rate of the FLS which is 5%. For all loans exceeding sixty (60) months, the interest rate of the investments is calculated by adding a 1% amortization premium.

Risk/Type of Loan	Base Rate	Non-Guaranteed Loan
		Risk Premium
Very weak	5%	+1%
Weak	5%	+2%
Medium	5%	+3%
High	5%	+5%
Extreme	5%	+7%
Excessive	N/A	N/A

Depreciation Bonus (including moratorium if applicable)

Loan Term	0 – 24 months	25 – 36 months	37 – 60 months	60+ months
Term Rate	0%	0.5%	1%	2%

Guaranteed Loan

The interest rate or yield can be decreased by 1% to 2% in the case that the loan is guaranteed by a 1st priority claim mortgage on tangible assets and if the value is supported by an evaluation.

Interest

Outstanding interest due shall be charged interest at the same rate as the loan.

3.9. *Required down payments*

Local Solidarity Fund (FLS)

Start-up project

In the case of a start-up project, the promoter's financial contribution must be at least 20% of the total cost of the project. In certain cases, this percentage can be higher or lower depending on the quality of the promoter and the project. However, this percentage can never be less than 15%, with the exception of young promoters.

Existing business

In the case of existing businesses, the equity of the company (net worth) after the completion of the project must be 20%. In certain cases this requirement may be higher or lower depending on the quality of the promoters and the project. However, this ratio cannot be less than 15%, with the exception of young promoters.

Local Investment Fund (FLI)

General category

Under the general category of the FLI, financial aid from Federal and Provincial governments, as well as from the MRC cannot exceed 50% of the admissible expenses for each project, with the exception of social economy enterprises which can receive up to 80%.

Acquisition of shares category

Under the "acquisition of shares" category of the FLI, the maximum financial contribution from the MRC cannot exceed \$25,000. A loan granted to a young promoter under this category can reach a maximum of 80% of admissible expenses. Also, financial aid from Federal and Provincial governments and the MRC cannot exceed 80% of the admissible expenses.

3.10. *Moratorium of capital repayment*

In exceptional cases and under certain conditions a business may request a moratorium on capital repayments for a maximum period of twelve (12) months within the entire term of the loan. Interest rates as described above will still be charged during this period. The moratorium period may be longer in the case of export projects. The **Local Funds** may support the growth and productivity improvements without exceeding twenty-four (24) months. Interest remains payable monthly during a moratorium.

3.11. *Pre-payments*

A business can reimburse all or a portion of the loan capital above the monthly repayments at any time as long as the conditions stipulated in the loan agreement are respected.

3.12. *Loan recovery*

In situations of non-compliance of the borrower to the **Local Funds**, the MRC will make every effort to rectify the situation and if necessary will use all mechanisms and legal procedures available to them to recover its investment.

3.13. *Application and follow-up fees*

All files presented to the **Local Funds** are subject to a fee for opening a file of \$100. This fee is non-reimbursable and is payable by the promoter or the business.

Projects financed by the **Local Funds** are subject to follow up fees charged on the anniversary date of the loan agreement in the amount of \$100 per year payable by the business for the duration of the loan agreement.

3.14. *Follow-up of files*

The procedure for follow-up will be specified in the agreements between the MRC and the promoters and organizations. Financial reports will be required periodically and contacts between the MRC and the promoters and organizations will enable the MRC to evaluate the progress of the business and propose interventions or adjustments where necessary. This follow-up aims to support promoters in its implementation and ensure the viability of the MRC's investment.

TAKEOVER: All approved projects are subject to a contract between the MRC, the entrepreneur or group of entrepreneurs. This contract must include, in annex, the following documents:

- An agreement associating the entrepreneur or group of entrepreneurs to the owner of the existing business, which indicates that the objective is ensure the takeover within the business;
- The relevant documents attesting to the ownership of the entrepreneur or group of entrepreneurs in the business for at least 25% of the value of the business (voting shares or shares) or the acquisition of at least 25% of the fair value of the assets.

In addition, this contract defines the conditions for financial assistance, the responsibilities of the parties and the terms of payment. The financial assistance must be subject to the respect of the following obligations by the entrepreneur or group of entrepreneurs:

- Maintain ownership of at least 25% of the voting shares or shares of the business or at least 25% of the fair value of the assets of the business for the duration of the loan;

- Keep the business and its activities on the territory of the MRC du Golfe-du-Saint-Laurent for the duration of the loan.

In the event of default of any of these obligations, the unpaid portion of the loan shall be returned to the MRC.

4. Entry into force

The present investment policy comes into effect as of **January 20, 2021** and replaces all other investment policies previously in effect.

5. Exception to the policy

The CIC must comply with the FLI/FLS common investment policy. This policy has been created to apply sound management to the Local Funds' portfolios. The CIC can request modification to this policy as long as respect is given to annex C (Variable investment credit agreement). If there is a request to change this policy, there must be two requests written, one to the MRC and one to the FLS-FTQ. At no time can the following two criteria be changed:

- Maximum Investment (article 4);
- No financing to companies with a negative net income after the completion of the project.

6. Changes to the policy

The MRC and the "Fonds locaux de solidarité FTQ, s.e.c." may agree to modify the partnership agreement and common investment policy as long as these changes remain within the framework established by the FLS. If the change is not requested from the CIC, one or both parties may consult the CIC to ask advice on any changes. However, the changes will, at no time, compromise the concepts of the joint investments and the return on investments or on the mandate of the CIC.

APPENDIX A

APPLICATION FORM FOR FINANCIAL ASSISTANCE



Information about the organization

Name of organization:	
Address:	
Telephone:	NEQ #:
E-mail address:	

Information on the person responsible for the project

Name:	
Function:	
Telephone:	E-mail:

Documents to be provided to support the funding application and project analysis

Checklist:

- Charter information;
- Resolution authorizing a designated person responsible for the project, including signing authority;
- Complete list of the organization’s board of directors;
- Financial statements for the last 3 years or bank statements for the months of January, June and December;
- Copy of quotes (invoices are not admissible);
- Confirmation of financial partners;
- Confirmation and proof of promoter’s contribution (in monetary form);
- Proof of insurance, if applicable;
- Letters of support, if applicable;

Status of the business or organization

- Non-profit organization:
Does your organization collect taxes: Yes No
- Band Council
- Cooperative

- Municipal Organization
- Organization from educational/health network
- Others (specify): _____

Describe the mandate and the sector of activity of the organization

Provide a brief history of the organization

Type of service requested

Financial support

Financial aid programs:

- Rural Development Fund (RDF)
- Structural Projects Fund (SPF)
- Community Support Fund (CSF)
- Healthy Communities Development Support Fund (HCDSF)
- Quebec Social Initiative Fund (FQIS)
- Maritime and Tourism Industry Development Fund (FDIMT)
- Regional Social Programs Support Fund (RSPSF)
- Unsure (An agent will work with you to determine which fund will be best for your project)

Technical support

- Reference services
- Training

- Well-being of the population (sports and leisure)
- Job Creation
- Communications (access to new technology, transfer of knowledge, etc.)
- Other (please specify): _____

Indicate which group(s) will most benefit from the project:

- Youth
- seniors
- Families
- Other (specify): _____

Only complete the following sections if seeking financial support.

Financing plan

Indicate the estimated total cost of the project, **excluding** volunteer work. Please attach all quotes.

Material	Cost before taxes	GST	PST	Total
Equipment	Cost before taxes	GST	QST	Total
Labour	Cost before taxes	GST	QST	Total
Other	Cost before taxes	GST	QST	Total

Total				

List the sources of funding. Please attach copies of confirmed financial partners.

Sources of funding	\$Amount
Sub-total	
Amount requested from the MRC du-Golfe-du-Saint-Laurent	
Total	

* It is MANDATORY for the promoter to make a monetary contribution to the project (amount required varies between MRC funds and/or government funding). Please attach proof of promoter contribution.

Volunteer contributions

Indicate if any, the volunteer work that is expected to be carried out by your organization.

Detailed description of the unpaid contribution		
Activity	Number of persons	Number of hours
Total		

I hereby certify that the information provided on this inscription form and in the accompanying documentation is accurate and complete.

I authorize the MRC du Golfe-du-Saint-Laurent to publicly disclose a summary of my project online for assessment or promotional purposes. The confidentiality of the business/organization must be respected.

I authorize the MRC du Golfe-du-Saint-Laurent to verify that the business/organization is in compliance with the Registraire des entreprises as well as any Municipal regulations or by-laws.

Signature

Date

Your file will remain open for thirty (30) days after the signing of this application form. If no further contact has been made with the MRC agent, the file will be closed.

Expenses incurred prior to the acceptance of the project by the council of the MRC and signature of financial aid agreement by both parties are inadmissible.

The MRC reserves the right to perform a credit check on any organization that applies for funding under an MRC program.

Upon reception of the application form, an MRC agent will be assigned to your file and will carry out the necessary procedures to evaluate and assist with your project.

Please take note that it is important to include all the documents mentioned on page 1 of the form. If these documents are not received, the project will not be analyzed.

Financial assistance application forms can be submitted directly to a MRC office, by e-mail at info@mrcgsl.ca, by fax at 418 787-0052 or by mail to the following address:

MRC du Golfe-du-Saint-Laurent
29, chemin d'Aylmer Sound, bureau 400, P.O. Box 77
Chevery QC G0G 1G0

APPENDIX B

**APPLICATION FORM FOR FINANCIAL ASSISTANCE
PRIVATE ENTERPRISE**



Information on the Applicant:

Name:	
Address:	
Telephone:	E-mail:

Which category is best related to your request?

- | | |
|---|--|
| <input type="checkbox"/> Start-up | <input type="checkbox"/> Asset acquisition |
| <input type="checkbox"/> Expansion | <input type="checkbox"/> Study (feasibility, etc.) |
| <input type="checkbox"/> Purchase of an existing business | <input type="checkbox"/> other (please specify): |
- _____

IF the business is already in operation, please provide the number of years in operation: _____

Do you have a NEQ* number? Yes, please provide it: _____ No

(*If you do not have an NEQ number because your project is a start-up, you can register your enterprise as soon as the duly completed and signed application form indicating your intention to create a business is received by the Agent responsible for your file and acknowledges receipt of your documents.)

Type of service requested:

Financial support

Financial aid programs:

- Entrepreneurial and Economic Diversification Fund (EEDF)
- Concertation, Enterprise Trade Fund (CETF)
- Structural Projects Fund (SPF)
- Maritime and Tourism Industry development Fund (FDIMT)

Technical support

- | | |
|---|---|
| <input type="checkbox"/> Reference services | <input type="checkbox"/> Entrepreneurial training |
| <input type="checkbox"/> Business plan | <input type="checkbox"/> Funding research |
| <input type="checkbox"/> Feasibility study | <input type="checkbox"/> Other (please specify): |
- _____

Job creation (How many positions, descriptions, seasonal/full time, etc.)

Main products/services offered:

Legal form of business organization: _____

If the business is a partnership or has shareholders:

Name	% ownership

*If there are more than one owner, (ex: partnership, shareholders) each owner must provide a personal balance sheet and resume.

Only complete the following section if seeking financial support.

Financing plan

Indicate the estimated total cost of the project. Please attach all quotes.

Description of cost:	Cost before taxes	GST	PST	Total

I hereby certify that the information provided on this inscription form and in the accompanying documentation is accurate and complete.

I authorize the MRC du Golfe-du-Saint-Laurent to publicly disclose a summary of my project online for assessment or promotional purposes. The confidentiality of the business/organization must be respected.

I authorize the MRC du Golfe-du-Saint-Laurent to verify that the business/organization is in compliance with the Registraire des entreprises as well as any Municipal regulations or by-laws.

Signature

Date

Your file will remain open for thirty (30) days after the signing of this inscription form. If no further contact has been made with the MRC agent, the file will be closed.

Expenses incurred prior to the acceptance of the project by the council of the MRC and signature of financial aid agreement by both parties are inadmissible.

The MRC reserves the right to perform a credit check on any individual or business that applies for funding under an MRC program.

Upon reception of the inscription form, an MRC agent will be assigned to your file and will carry out the necessary procedures to evaluate and assist with your business project.

Please take note that it is important to include all the documents mentioned on page 1 of the form. If these documents are not received, the project will not be analyzed.

Financial assistance application forms can be submitted directly to a MRC office, by e-mail at info@mrcgsl.ca, by fax at 418 787-0052 or by mail to the following address:

MRC du Golfe-du-Saint-Laurent
29, chemin d'Aylmer Sound, bureau 400, P.O. Box 77
Chevery QC G0G 1G0

APPENDIX C

Final Project report

Organization

Name of organization:
Title of the project:
Which fund did you receive funding under:
File number:
Name of the person responsible for the project:
Telephone # or email address of the contact:

Describe what was accomplished during the project:

How did the project respond to a need or improved/benefited the concerned community (ies). Describe the expected impacts of this project:

Indicate the number of employment opportunities (if any) which were created or maintained as a result of this project?

	# Created	# Maintained	Job title
Men			
Women			
Disabled			
Youth (-35 years)			
Aboriginal			

Charities, public institutions and qualifying non-profit organizations (only for activities not related to a selected public service body)	50 %	50 %
Non-profit organizations (that does not claim their taxes)	100 %	100 %

Indicate the total cost of the project

Please list the expenses incurred during the realizations of this project.

Note: The total amount submitted should equal the total cost of realizing the project. This amount can be greater or less than the provisioned total project cost as agreed to in the financial agreement. The total amount should be equal to the invoices submitted with this final report.

Attach appendices if more space is necessary.

MATERIAL	Cost before taxes	GST	QST	Total	Invoices enclosed
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
EQUIPMENT	Cost before taxes	GST	QST	Total	Invoices enclosed
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
LABOUR	Cost before taxes	GST	QST	Total	Invoices enclosed
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
OTHER	Cost before taxes	GST	QST	Total	Invoices enclosed
					<input type="checkbox"/>
					<input type="checkbox"/>

					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
TOTAL PROJECT COST					
CALCULATE THE ADMISSIBLE TAXES (total taxes x admissible tax rate)					
TOTAL COST ADMISSIBLE (total cost before taxes + admissible taxes = total admissible)					

Indicate the actual financing of the project

Please list the contributors of the project.

Detailed description of the sources of funding	Amount (\$)
Promoters contribution	
Monetary	
Government tax rebate	
Property	
Service (s)	
Partner 1	
Monetary	
Property	
Service (s)	
Partner 2	
Monetary	
Property	
Service (s)	
Partner 3	
Monetary	
Property	
Service (s)	
A) Amount of first disbursement received	
B) Amount requested from the MRC	
Total financing of the project	

Proof of contribution of partners should have already been submitted to the MRC. If there have been changes to the partners or should their contributions be different from those specified in the financial agreement, please provide the proper documentation.

Describe the volunteer contributions

Indicate the volunteer work that has been carried out by your organization (site supervision, renovations excluded from the application of standards from commission de la construction du Québec, etc.)

Detailed description of the unpaid contribution		
Activity	Number of persons	Number of hours
Total		

Additional Information

Please submit all relevant additional documents

- Any additional final reports produced pertaining to the project (if applicable);
- A picture of and a short paragraph about how the funding from the MRC helped contribute to the realization of your project;
- Confirmation of all financial partners including in-kind contribution, volunteer time etc. Supplied confirmation should equal the amount indicated in the financing section above;
- Invoices for any expenses incurred during the realization of this project. Invoices must include the vender name, buyer’s name (organization), invoice number, date of purchase, identification of items purchased, and cost of items including a breakdown of GST & QST or

HST, shipping or any other associated costs. Any invoice that is missing one or more elements or is illegible may be discarded.

I, the undersigned _____ certify that the information provided in this form or submitted as a supporting document has been verified and is correct, exact and complete.

Signature: _____ **Date:** _____

Once completed, you can submit this form to your agent.

APPENDIX D

Application Form
Concertation, Entreprise Trade Fund



Information about the organization

Name: _____

NEQ: _____

Address: _____

Tel.: _____

Fax: _____

Email: _____

Website: _____

Type of organization

- Non-profit organization
- Sole-proprietor
- Partnership
- Corporation
- Cooperative
- Association

Overview of the project

What trade show, convention or conference would you like to attend and/or participate in and why?

Who will be attending the trade show, convention or conference and what is their respective role within the business/organization?

Where is the event being held and what dates?

Describe the operations of your business or the objectives of your organization?

How will your attendance to this event enhance your business or organization and support the development of the Lower North Shore?

Are there any other businesses or organizations on the Lower North Shore that may directly benefit from the information and contacts you hope to connect with?

What is the amount of assistance¹ that you are requesting?

Signature

Date

¹ A maximum subsidy of \$2,000 is available per promoter/business per financial year. Admissible expenses include transportation, lodging, meals and registration fees (if, applicable). The financial year of the MRC runs from April 1 to March 31.

APPENDIX E

Application Form
Community Support Fund



Applicant Information

Name:
Address:
Telephone:
Applicant status (please check one): <input type="checkbox"/> Non-profit <input type="checkbox"/> Local school <input type="checkbox"/> Other, please specify:
Local group affiliation (if associated with a regional or provincial entity please provide the name of the entity):

Event Information

Name of event:	
Event date:	Event location:
Select which best describes the history and background of this event: <input type="checkbox"/> Annual/Ongoing <input type="checkbox"/> New initiative	

Please describe the nature of the event:

Financial breakdown

Expenses	Sub-total	GST	QST	Total
Total				

Sources of funding	Total	%
Amount requested from the Community Support Fund		
Total		

Supporting documents required:

- All quotes and confirmation of financial partners.

DECLARATION OF APPLICANT

I, the undersigned, hereby certify that the information contained within this application form is true, accurate and complete.

Signature

Date