

REGIONAL RELIEF AND RECOVERY FUND – COMMUNITY FUTURES STREAM - FAQ



The \$962-million Government of Canada Regional Relief & Recovery Fund (RRRF) is designed to support small and medium size businesses that have been negatively impacted by the COVID-19 pandemic. These businesses can apply for loans of up to \$40,000 through RRRF.

How is the RRRF is being administered in Western Canada?

Western Economic Diversification Canada (WD) is collaborating with Community Futures throughout BC, Alberta, Saskatchewan and Manitoba to deliver the Fund in Western Canada.

Community Futures offices are supporting rural small businesses requesting \$40,000 or less. These businesses should apply through their local Community Futures office if they are eligible.

If a rural business is looking to request more than \$40,000 they should apply through Western Economic Diversification Canada <https://www.wd-deo.gc.ca/eng/20061.asp>

How can I apply for RRRF funds for my small business through the Community Futures Stream?

Community Futures has 90 offices supporting rural small businesses in British Columbia, Alberta, Saskatchewan and Manitoba. Small business applicants from rural communities are asked to apply through the website of their local CF organization, or their provincial Community Futures website.

- [Find and contact your local CF office in British Columbia](#)

How do I know if my business is eligible to apply for RRRF funds through Community Futures?

Rural small businesses are eligible if they...

- Are a Small and Medium-Sized Enterprises (SMEs) located in non-metropolitan regions (all areas served by Community Futures organizations) in Western Canada. In BC, businesses must be located outside of the Greater Vancouver Regional District and the Capital (Greater Victoria) Regional District.
- SMEs must attest they have not received duplicative supports through other federal or provincial government COVID-19 support programming such as the Canada Emergency Business Account (CEBA) or the NACCA ELP.

- The small business must have been viable and not experiencing any liquidity or other financial difficulties as of March 1, 2020.
- The small business must have experienced a material adverse effect on business operations on or after March 1, 2020 as a result of the COVID-19 pandemic.
- The business must have been established before March 1, 2020.
- The business must be a sole proprietorship, partnership, corporation, social enterprise, or other similar organization, including non-profits so long as they have a social enterprise aspect that benefits the community.
- Eligible tourism businesses include tourism operators, recreation and entertainment, transportation, accommodations, food and beverages and restaurant, but excluding retail

What costs are eligible to be covered under RRRF-CF Stream?

- Lease payments for existing equipment and machinery;
- Salaries and benefits (will only be considered for support if the business has not received support under the Canada Emergency Wage Subsidy (CEWS));
- Property taxes;
- Utilities;
- Bank charges and interest payments;
- Office supplies;
- Vehicle operating expenses;
- Professional fees;
- Monthly insurance payments;
- Rent (applicants are expected to pursue with their landlord access to the Canada Emergency Commercial Rent Assistance (CECRA) for small businesses); and
- Other fixed operating costs applicable to the applicant.

What are the RRRF-CF Stream repayment terms?

- No interest accrual or principal payments through December 31, 2022
- If 75% of the loan is repaid by December 31, 2022, the remainder of the loan, up to \$10,000, is forgiven. The portion that is forgiven will be considered taxable
- Blended principal and interest payments beginning January 1, 2023 and loans must be repaid by December 31, 2025.
- Interest rate charged will be between Prime and 5%, as determined by the CF, based on individual client circumstances
- No prepayment penalties

What is the difference between RRRF-CF Stream and CEBA?

Both the Regional Recovery and Relief Fund (RRRF) and Canada Emergency Business Account (CEBA) provides eligible small and medium-sized enterprises (SMEs) with an interest-free repayable loan of up to \$40,000 to help alleviate financial hardship resulting from COVID-19.

Under the 'RRRF – CF Stream,' rural SMEs including sole proprietors and social enterprises are eligible to apply for financing of up to \$40,000.

Rural and urban businesses that are sole proprietors receiving income directly from their businesses, businesses that rely on contractors, and family-owned corporations that pay employees through dividends rather than payroll may now be eligible for financing of up to \$40,000 through CEBA.

Under the RRRF– CF Stream and CEBA, applicants can receive up to \$40,000 regardless of the operating balance of their business.

To qualify for CEBA under the new eligibility requirements, small business applicants with payroll lower than \$20,000 would need a business operating account at a participating financial institution, a Canada Revenue Agency business number, they must have filed a 2018 or 2019 tax return and must have eligible non-deferable expenses of \$40k to \$1.5M.

To qualify for the RRRF-CF Stream, SME applicants with payroll lower than \$20,000 don't necessarily need a business operating account or a Canada Revenue Agency business number.

I'm eligible to apply under RRRF-CF Stream and CEBA. Which funding should I apply for?

As the financing terms of RRRF-CF stream and Canada Emergency Business Account (CEBA) are similar, rural businesses can choose which program to apply for funding. Applicants can only receive funding from ONE of these federal programs, not both.

How does the WD portion of the RRRF funds differ from the RRRF-CF Stream?

Funding offered through Community Futures is intended for rural SMEs, particularly main street businesses and small/micro enterprises (including sole proprietors and social enterprises), located in communities serviced by a CF office. CF offices will deliver loans up to a maximum of \$40,000.

SMEs located in an urban area or those requesting assistance above \$40,000 should apply directly to WD. WD's RRRF funds are available to businesses that are not eligible for CEBA or the RRRF-CF Stream. To qualify for WD RRRF funds, applicants must:

- Have fewer than 500 full-time employees. Sole proprietorships and not for profit organizations ARE NOT eligible
- Must be located in BC, Alberta, Saskatchewan or Manitoba and intend to continue operations in Western Canada
- Must not be located in an area serviced by a Community Futures office and must not be eligible for the RRRF-CF Stream funds
- Must have applied and been declined for CEBA funds or were not eligible to receive CEBA funds
- Must have been operational as of March 1, 2020 and have suffered financially due to the COVID-19 pandemic