

**RURAL LOAN FUND**

Department	Finance	Policy No.	
Section	Grants	Date Approved by Board	
Repeals	RBAC Funding Policies	Board Resolution #	

Amended		Board Resolution #	
Amended		Board Resolution #	
Amended		Board Resolution #	

Repealed		Board Resolution #	
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**1. Purpose**

- 1.1 The Rural Loan Fund policy establishes clear guidelines for the Rural Budgets Administration Committee (RBAC) to provide financial assistance to eligible organizations in the form of either a repayable loan or a non-repayable grant, to support infrastructure projects, initiatives for programs, or services that benefit the rural areas of the Peace River Regional District (PRRD) and the communities at large.

**2. Scope**

- 2.1 This policy applies to RBAC, the Peace River Regional District and all external organizations eligible for consideration to receive funds in the form of a repayable loan, or an outright grant, from the Rural Loan Fund.

**3. Definitions**

- 3.1 *Grant:* Non-repayable funds disbursed or given by one party, often a government or other organization, to a recipient for a particular purpose.
- 3.2 *Infrastructure:* Municipal or regional, publicly or privately owned tangible capital assets primarily for public use or benefit.
- 3.3 *Initiative:* An activity that tries out a specific idea or purpose which is intended to provide a benefit service to rural area residents, or the community at large.
- 3.4 *Loan:* Repayable funds that are borrowed from an institution, local government or organization and lent to a recipient for a fee at a set interest rate to be used for a specific purpose.
- 3.5 *Not-for-Profit Society:* refers to a community organization which is not driven by profit, who is registered and in good standing with the Societies Act of BC.
- 3.6 *Program:* An activity designed for a specific purpose which is led by a community organization and leads to the improvement to the quality of life for rural residents.
- 3.7 *Project:* An undertaking that is planned to achieve a particular outcome or result with a specific set of goals, objectives, and a start and finish date.



- 3.8 *Rural Budgets Administration Committee*: refers to a Standing Committee of the Regional Board comprised of the Electoral Director from each Electoral Area in the Peace River Regional District who has the authority, delegated to them by the Regional Board as per 'Rural Budgets Administration Bylaw No. 1166, 1998', to administer the rural budgets identified in Bylaw 1166 and approved in the current PRRD Five Year Financial Plan Bylaw.
- 3.9 *Service*: A function led by a community organization which provides the public with an opportunity to benefit, or improves the rural areas or community at large.

#### 4. Policy

- 4.1 RBAC has the sole discretion to determine if an organization applying for financial assistance is eligible to receive funds from the Rural Loan Fund, in accordance with this policy.
- 4.2 Financial assistance from the Rural Loan Fund may be used to support infrastructure projects, initiatives for programs, or services that will benefit rural residents and the community at large and are provided to eligible organizations as follows:
- a) Transfer of funding as a revenue source to an established Peace River Regional District service function, to fund the improvement or maintenance of Peace River Regional District infrastructure or assets, in the form of a repayable loan, or a grant.
  - b) To a Local Government, First Nation Government, Band or Council for projects that will benefit rural residents, in the form of a repayable loan or a grant; or
  - c) To a registered not-for-profit society, in good standing with the *Societies Act of BC*, in the form of a repayable loan or a grant.
- 4.3 RBAC has the sole discretion to accept or reject any application based on the following:
- a) An incomplete application; or
  - b) Failure to maintain society status; or
  - c) Failure to rationalize the need for funding or merit of the program, initiative or service.
- 4.4 All loans will be charged a fixed interest at the rate of prime plus one percent (1%) at the time the loan is granted, to offset the loss of interest revenue that could have been earned if the monies were invested.
- 4.5 Funding used to support non-repayable grant contributions **up to a maximum of \$10,000 per Society/applicant**, may be provided utilizing the interest earned by the Rural Loan Fund Reserve, on the condition that it does not exceed eighty percent (80%) of the total interest earned.
- 4.6 Eligible Applicants:
- a) Not-for-profit organizations who are registered and in good standing with the *Societies Act of BC* who operate in one or more of the Electoral Areas; or operate in a Municipality but provide benefit to one of more of the Electoral Areas.
  - b) Local Governments, First Nation Government, Band or Council.
  - c) School District or a Parent Advisory Council (PAC) from a rural school and legitimized by the *School Act*.



#### 4.7 Application Criteria:

- a) Applications are accepted on a continuous intake from January 1<sup>st</sup> to December 31<sup>st</sup>.
- b) All loan applicants must submit a completed application that includes:
  - i. a business case outlining the rationale for the project and its estimated costs;
  - ii. current financial statements and a cash flow forecast; and
  - iii. a detailed explanation on how the loan will be repaid.

#### 4.8 Loan Repayment

Loan funds are repayable and recipients must repay the loan by one of the following methods:

- a) By payment over a set period of time from the service function taxation or service fees, for internal loans; or
- b) By payment as set out in a formal loan agreement with the recipient.

#### 4.9 Grant Terms

- a) All approved grants are non-repayable and recipients will not be required to pay back funds.
- b) All external recipients who receive financial assistance through the Rural Loan Fund, by way of a loan OR a grant, are required to recognize the Regional District for their financial contribution.

#### 4.10 Disbursement of Funds:

- a) Loans will be payable as established in the formal loan agreement.
- b) Non-repayable grant funds will be payable to the recipients upon approval of the Rural Budgets Administration Committee in the form of a resolution introduced and endorsed by the Committee in a legal RBAC Committee meeting.

Affiliated Procedure	
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