

**RURAL LOAN FUND**

Department	Finance	Policy No.	
Section	Grants	Date Approved by Board	
Repeals		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Repealed		Board Resolution #	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 a repayable loan or non-repayable financial assistance to support projects 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 the RBAC, staff and all organizations eligible to be considered for a financial loan or grant contribution from the Rural Loan Fund.

3. Definitions

- 3.1 *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 temporary purpose.
- 3.2 *Grant Contribution*: Non-repayable funds disbursed or given by one party, often a government or other organization, to a recipient for a particular purpose.
- 3.1 *Project*: An undertaking that is planned to achieve a particular outcome or result with a specific set of goals, objectives, start and finish date.
- 3.2 *Infrastructure*: The physical asset developed and used by an organization to support its social, cultural and economic services.
- 3.3 *Initiative*: An action that tries out a specific idea or purpose which is intended to provide a benefit or result in a service to rural areas or the community at large.
- 3.4 *Program*: An activity designed for specific purpose which is led by a community organization and leads to the improvement to the quality of life for rural residents.
- 3.5 *Service*: A function led by a community organization which provides the public with an opportunity to benefit or improve the rural areas or community at large.



4. Policy

- 4.1 The RBAC has the sole discretion to determine if an organization applying for financial assistance is eligible to receive funds from the Rural Loan Fund.
- 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.
- 4.3 The Rural Loan Fund may be used by RBAC to provide financial assistance to eligible organizations as follows:
 - a. To loan dollars or grant contributions for assets owned by the Regional District where a service area is currently established; or
 - b. To loan dollars or grant contributions to member municipalities for projects that will benefit rural residents; or
 - c. To loan dollars or grant contributions to a registered not-for-profit society, in good standing with the *Societies Act of BC*.
- 4.4 All loans will be subject to a finance charge equivalent to what the Regional District would earn at that time, if invested.
- 4.5 Funding provided in the form of a non-repayable grant contribution will only be provided from the interest earned on the reserve fund or the interest earned on a repayable loan.
- 4.6 Eligibility Criteria for Applicants:
 - a. Applicants must be either a not-for-profit organization who are register and in good standing with the *Societies Act of BC*; or
 - b. Local government, First Nations Government, Band or Council; or
 - c. School District or a Parent's 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 1st to December 31st.
 - b. A grant application must be completed and include a project budget, copy of the applicants most recent financial statements and a rationale for the request.
 - c. Applications may be submitted to request financial assistance to support capital projects, infrastructure, initiatives for programs or services that will benefit the rural residents and the community at large.
 - d. Registered not-for-profit societies must provide a business case including annual financial statements, a cash flow forecast, and a detailed explanation of how the loan will be repaid.
- 4.8 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; or



- b. By payment as set out in a formal loan agreement with the recipient.
- 4.9 All grant contributions are non-repayable and recipients will not be required to pay back funds.
- 4.10 All recipients who receive financial assistance through the Rural Loan Fund will be required to recognize the Regional District for their financial contribution.

Affiliated Procedure	
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