



RAINY RIVER FUTURE
DEVELOPMENT CORPORATION
A Community Futures Development Corporation



Business Planning Initiative

The Business Planning Initiative supports entrepreneurs and potential entrepreneurs who require a full and properly developed business plan in order to have been considered and properly investigated, ensure that they have a clear understanding of all issues and potential problems and as a result they are able to access required financing in a timely manner.

Eligible Activities:

- Development of a business plan
- Development of parts of the business plan (ie. Financial Pro-Forma Statements)

Eligible Applicant:

Eligible applicants are private sector for-profit businesses who require assistance in finalizing their business plan, and can demonstrate that they have both the ability and resources to implement their proposal should the business plan results be positive.

Applicants are expected to exercise good judgment when selecting their consultant; the selected consultant should be a member in good standing of a professional organization with standards of conduct, but in every instance four references for the chosen consultant will be required.

Funding Criteria and Guidelines:

Up to \$5,000 can be made available to assist with the costs of a qualified arms-length consultant. Total support under this initiative will not exceed 80% of the consultant's costs and will be based on demonstrated need.

The applicant is expected to be actively involved in the work in order to have a good understanding of the final product.

How to apply:

3. Make an appointment with RRFDC to discuss your business idea.
4. Bring RRFDC a letter requesting BPI funding. Included in the letter should be a brief summary of the business idea.

5. Select a consultant to do the business plan and have the consultant submit a profile. Included in the profile should be a resume, an outline of consulting work done in the past, references and any other pertinent information.
6. Bring your letter and the consultant profile to the RRFDC and fill out an application form for the BPI funding. The RRFDC must approve the consultant and the application.
7. Once approved, you must sign documentation at the RRFDC and then the business planning process can begin.
8. Remember that the BPI covers 80% of consultant costs, up to \$5,000 in the form of a loan.

Repayment Terms:

Loans are fully repayable should a business become operational in accordance with the business plan.

Interest on the loan is payable monthly during the first year the loan is outstanding. Interest payments are due on the 1st day of each month, beginning one the first month after disbursement.

The principal becomes payable on the loan, subject to the paragraph below, in the second year and minimum payments are set that will see the principal and interest on the loan fully repaid over the next 48 months.

Under some conditions the loans will be partially repayable or fully forgiven.

- Should the consultant preparing the business plan determine the project is entirely not feasible the loan is not repayable with the exception of interest for the amount of time outstanding.
- Should the consultant determine the project feasible based on the equity noted below, and the client does not proceed with the project within one year of the consultants report then 50% of the principal of the loan plus interest is repayable over the original term of the loan at reduced payments.
- Based on the equity outlined below and in the case that the project cannot proceed because bank financing is not available, the loan is fully forgivable.

The principal must show a commitment to the project with a minimum investment of 10% of the total project costs determined by the cash flow of the business plan.

Consideration will be given to the capital already invested in the project prior to the application for the business plan loan.