

2020-2021

Business Support Policy

MRC PONTIAC
ADOPTED JUNE 17, 2020

1. Context

The Regional Municipality of Pontiac County (MRC) signed an agreement regarding the Regions and Rurality fund (FRR) with the Ministry of Municipal Affairs and Housing (MAMH). In this agreement, the MAMH recognizes the MRC Pontiac's competence in local and regional development. In this agreement, the MRC Pontiac gives Pontiac businesses access to a financial support fund to help economic development and create employment on the territory.

Since 2015, the Pontiac MRC and the Pontiac Community Futures Development Corporation (SADC) have been offering a one-stop service for support and financing offered to businesses. All applications must be submitted to the offices of the SADC Pontiac for processing.

2. Intervention conditions

The intervention conditions are compiled under the six (6) following headings:

- Agro-food (2nd and 3rd transformation)
- Forestry (2nd and 3rd transformation)
- Tourism (development of new service or product)
- Commercial vitality in villages
- New technologies
- Manufacturing sector

3. Admissibility

3.1 Admissible businesses

- Any private legally constituted company, including social enterprise (see footnote), with installations in the Pontiac MRC and those wishing to establish themselves here¹

3.2 Non-admissible businesses

- Private businesses from the financial sector

4. Support

The SADC offers a support service that includes:

- Support for the preparation of the business plan
- Technical advice
- Analysis of the business project
- Accompaniment in the search for financing

¹ The social enterprise carries out economic activities for social purposes, that is, it sells or exchanges goods and services, not for profit, but rather to meet the needs of its members or the host community. It takes the form of cooperatives, mutuals or not-for-profit organizations engaged in commercial activities.

5. Eligible projects

Start-up

The start-up component is for promoters who want to start a business in the Pontiac region.

The project must:

- Be based on a business plan covering the first two years of operation, including cash-flow forecasts;
- Result in job creation and/or demonstrate a significant economic impact on the community.

The promoter must:

- Demonstrate education or experience in the business sector of the start-up;
- Demonstrate basic training² or experience in business management;
- For complex projects, be prepared to provide market analysis and/or feasibility studies, if requested.

Eligible expenses:

- Capital costs (land, equipment, construction, buildings)
- Service costs (permits, patents, professional fees)

Financial assistance will be paid as a grant for one year, and cannot be recurrent.

Consolidation / Restructuring:

This component is intended to support the consolidation or restructuring of existing companies that have been in existence for at least five years and wish to improve their equipment, improve their competitiveness or restructure leading to long-term profitability.

The project must demonstrate that the contribution of the grant is essential to the maintenance of the business.

Eligible expenses:

- Realization of a consolidation plan (professional fees, expert fees, consulting services)
- Development of a restructuring plan (professional fees, expert fees, consulting services)
- Renewal of equipment
- Capital expenditures as long as the company can justify improvements to improve its service / offer.

Expansion:

Expansion projects are eligible to the extent that the impact on job creation and / or the generation of economic benefits and the maintenance of jobs are clearly established and reflect a real change in direction or pursuit of new markets.

Eligible expenses:

- Capital costs
- Working capital for the first year after expansion (initial inventory, cash)
- Marketing plan (professional fees)
- Communication plan (professional fees)
- Export Outaouais support costs (in pursuit of new markets)

² For example, courses offered by the [SADC Pontiac](#) or [Entrepreneuriat Québec](#)

Transfer / Succession:

Transfer / succession projects may be related or unrelated. In the next five years, nearly 80 businesses will be for sale or will close on the Pontiac territory. The MRC wishes to encourage succession through financial support.

Eligible expenses:

- Capital expenditures, acquisition, transfer fees
- Professional fees (lawyer, notary, etc.)

In the case of succession, the promoter could obtain a FLI / FLS loan at advantageous rates.

Business Attraction:

The MRC Investment Committee may use the Business Support Policy to help a business move into the Pontiac territory.

The company must:

- Have at least five years of existence
- Have a business plan demonstrating its expansion plan and justify its future interest in the Pontiac
- Must meet the priorities set out in this Policy

Eligible expenses:

- Feasibility studies (professional fees)
- Immobilizations

Financial assistance will be paid in the form of a grant only when the company has acquired property on the territory of the MRC Pontiac.

6. Non-admissible projects

- Projects already in progress by the promoter, consolidation projects as well as projects that do not generate economic benefits on the territory.
- Projects of a sexual, religious or political nature or linked to controversial activities (dating agencies, numerology, tarot, astrology) are not admissible.
- Projects that create direct competition or that do not respect Quebec or municipal laws are not admissible.
- Any project aimed at moving a business or its production outside of the MRC Pontiac;
- Debt repayment, future loan repayments or to finance a project already completed;
- Expenses to complete a project but were incurred before the date that the application for funding was received;
- Events

7. Eligible Expenses

Expenses determined to be eligible are expenses incurred **after** the date of acceptance of the application and as specified in the contract.

8. Ineligible expenses

- Any expense incurred to support a project in the retail or restaurant sector, except to provide a local service;
- Repay a debt or shares buyback;
- All administrative expenses (room rental, office supplies, telecommunications and website, training costs, general insurance, subscriptions / subscriptions and promotion,

- bank charges and interest, rent and maintenance of premises, depreciation of real estate assets, expenses representation);
- All taxes

9. Project financing

The same company cannot receive more than \$100,000 over a twelve (12) month period.

10. Promoter's down payment

The promoter must contribute a minimum of 50% of the total cost of the project.

This contribution would be as follows:

1. Monetary contribution (cash) equivalent to 50% of the project's total cost

OR

2. Monetary contribution (cash) equivalent to a minimum of 10% of the project's total cost

PAIRED with a combination of the following:

- Subsidy from another federal, provincial or municipal organisation for a maximum of 40% of the project's total cost (80% for social economy enterprises) and/or
- Loan from a financial institution (Bank, Caisse Desjardins, financing company, etc.) and/or
- Loan from the SADC or the MRC (FLI/FLS) and/or
- A portion that exceeds the business' minimum equity by 15%

Note: the total aids from the Local Investment Fund (FLI) and Business Support Policy cannot exceed \$150,000.

The Pontiac SADC and the MRC Pontiac Investment Committee will be satisfied with the availability of the promoter's funds. Proof of this availability may be required as needed.

11. Terms

The promoter has 30 days to sign his contract once it is approved at the Regional Council of the MRC Pontiac, and twelve (12) months to complete his project. The promoter must comply with the terms and conditions defined in the contract.

12. Disbursement

The promoter will be required to provide copies of invoices/price contract and proof of payment in order to obtain the grant. Payments will be prorated based on the bills deposited.

13. Processing applications

The steps involved with an application for funding and/or financing:

- Open the file with the SADC Pontiac
- Verify the entrepreneur and project's admissibility
- Draw up the business and financial plans
- Establish a possible amount of the subsidy
- Analysis of the file by the SADC Pontiac

- Presentation of the file to the MRC Investment Committee
- Decision by the Investment Committee and recommendation to the MRC Council
- MRC Council decision
- The proponent is informed of the decision after the Regional Council meeting
- Contract signing by the promoter with the MRC
- Follow-ups by the MRC Pontiac and submit the invoices and proof of payment to the MRC Pontiac.

The proponent is informed of the decision after the meeting of the Regional Council, which is normally held on the third Wednesday of the month.

All financial requests are processed according to the provisions stipulated in the MRC Investment Committee's Code of Ethics as well as the participants implicated in the file processing.

14. Project selection criteria

- The project must be pertinent and realistic;
- The entrepreneur must own at least 25% of the business shares;
- The entrepreneur must prove that he has obtained all the necessary financing;
- The project must not create direct competition with Pontiac businesses;
- The entrepreneur must not have defaulted on paying government debts and must be free of any bankruptcy judgement;
- If the entrepreneur has already received funding from the BSP, the first project must be completed according to program standards;
- The project must demonstrate economic benefits and/or job creation;
- The business support project must contribute to the sustainability and long-term viability of the company.

The Investment Committee has the right to recommend an investment in a project, or render an expense eligible, if it judges that the project demonstrates that it will create an impact on: economic diversification, economic benefits for the region or job creation.

15. How to apply

The promoter must make an appointment with a Business Advisor at the SADC, who will ensure a follow-up on the request. Incomplete files will not be analysed.

There are no administration fees for this fund.

16. Availability of credits

The MRC Pontiac decides of awarding grants based on available credits.