

Rural Economy Fund

Funding Guidelines

Regional Development Corporation
March, 2023

Rural Economy Fund

Purpose

The Rural Economy Fund (REF) recognizes the important contribution rural communities make to New Brunswick's economy, and the unique challenges they face in becoming prosperous. The REF aims to help rural regions in strengthening and growing local economies by supporting local, and/or regional priority initiatives. The purpose of the fund is to help strengthen and diversify rural economies by addressing program/funding gaps and complementing, not duplicating, mandates of other government departments.

Objectives

- **Strengthen the rural economy through funding of capital assets (i.e. Economic Infrastructure)**
Develop or improve community / regional assets that stimulate and supports a local economy that allows businesses to grow and/or remain competitive.
- **Strengthen the rural economy through supporting priority initiatives**
Support initiatives that enhance the diversity and competitiveness of a rural region's economy.
- **Strengthen the rural tourism sector through supporting strategic tourism growth**
Support tourism related facilities, infrastructure, or initiatives that align with local, regional or provincial priorities.

Eligibility

The REF is available to:

- Incorporated Legal entity such as a not-for-profit, municipalities, Regional Service Commissions and First Nations.
- The applicant must be from an Eligible Rural Area (Any incorporated municipality or LSD that has a population of less than 25,000 inhabitants as of the most recent Canadian Census).

RDC may consider non-repayable requests from for-profit organizations under the following circumstances:

- The for-profit organization qualifies under federal-provincial agreements requiring a provincial contribution.
- The project is a key sector, regional or provincial priority as identified and supported by the appropriate GNB Department or Agency; examples: strategic economic or tourism infrastructure requests that will increase development and/or competitiveness, pre-commercialization projects, or market development initiatives.

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Eligible Expenditures

Eligible expenditures include but are not limited to:

- Capital expenditures for constructing, renewing, rehabilitating, materially enhancing or renovating an asset;
- all other eligible expenditures deemed reasonable and necessary for the successful implementation of the project.

Ineligible Expenditures

The following expenditures are **not eligible** for funding under this fund:

- Cost of land or any interest therein, and related costs;
- Cost of licensed vehicles (except for the purposes of public transportation);
- Reduction of deficits or the retirement of debts;
- Support of operating costs including wages and salaries (except in cases of a pilot project);
- Fundraising campaigns;
- Taxes for which the recipient is eligible for a tax rebate and all other expenditures eligible for rebates;
- Hospitality expenses (for example, alcoholic beverages, meals and gifts);
- Travel is an eligible expense only if it is directly related to the project and must respect GNB travel policies;
- Municipal administrative buildings (town halls, garage);
- Funding to any organization that has not completed the terms of any previous contribution;
- Activities that serve primarily the membership or purposes of religious or political organizations.
- Legal fees;
- Financing charges and interest costs;
- Mergers; and
- Volunteer labour costs.

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Assessment

Applications will be evaluated against the following eligibility and assessment criteria:

The project benefits

- The proposed project benefits, and their value to the province / region.

The project viability

- The likelihood that the proposed project can be realized / completed as proposed.

The project sustainability

- The probabilities that the project or the intended effects of the project can be maintained once it has been completed.

The applicant viability

- The state of the operational and financial stability of the applicant.

The applicant capacity

- The management and financial capacity of the client to meet costs associated with the delivery of the project.

All proposal submitted for assessment are subject to applicable environmental assessment requirements and to the GNB duty to consult policy where applicable.

The amount of detail and supporting evidence to be provided in an application will be relative to the size, complexity and funding amount requested. Due to limited resources however, not all projects meeting eligibility criteria will necessarily be approved.

Proposal Process

All proposals will be submitted through the RDC application form and include a business case detailing all relevant information required in the eligibility and assessment criteria.

- All applicants will submit proposals for funding directly to the Regional Development Corporation.
- If applicable, RDC will obtain a sector review from the appropriate department when receiving a request directly from the client.
- Where a submission is deemed sufficiently detailed and in accordance with the eligibility requirements, RDC will review for consideration.
- Initiatives will be approved by the President of RDC.
- Any initiatives that require major investments over \$500,000 will be submitted to Executive Council for approval.

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Level and Type of Assistance

The REF may assist, in the form of non-repayable financial contribution at the following levels:

- Up to **40%** of provincial contribution towards eligible expenditures with a maximum of **50%** under extenuating circumstances to non-profit, municipalities, Regional Service Commissions and First Nation;
- **Up to 20 %** provincial contribution (with exceptions up to 35% under extenuating circumstances) toward eligible expenditures in all other projects;
- **Maximum contribution** under this fund is \$1,000,000.
- Funding commitments for individual initiatives will **not exceed 3 fiscal years**.

Pilot projects may be funded for a maximum of 3 years after which the proponent must demonstrate sustainability. Proponents must also work with government to identify a lead department that will be responsible for any further funding if applicable.

This funding program will **not** provide incremental assistance to, or replace, existing programs delivered by provincial government and funding will be done on a reimbursement basis after the applicant has submitted a claim for eligible costs complete with invoices and proof of payment.

The payment of any funding is subject to there being an appropriation for the fiscal year in which the payment is to be made. RDC may reduce or cancel the funding if funding levels are changed by the Legislative Assembly during the term of this funding program.

Payment Procedures

All applicants will be subject to the following to receive any payments related to a project:

- Applicants must complete, sign and forward a claim form including copies of all pertinent documentation relating to the project for reimbursement of expenditures.
- **Cash payments will not be eligible for reimbursement.**
- Donations of materials, equipment, or services are **not eligible** to be included in the claim as they are not actual costs incurred (paid out) on the project. Only actual costs incurred are eligible for reimbursement.
- Expenditures can be reimbursed in installments, or one lump sum at the end of the project.
- Payments will be made by direct deposit service only.

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Reporting Requirements

The Regional Development Corporation will measure outcomes / objectives and results will be published in the annual report. RDC will require all applicants to submit appropriate documentation to support all investments made under the Rural Economy Fund.

Supporting documentation may be in the form of:

- outcome report including metrics;
- financial report;
- audited financial statements;
- invoices;
- proof of payments;
- legal agreements; and/or
- any other necessary documentation.