



Southwest Rural Economic Area Partnership Fund Guidelines – Updated 2023.04.12

The Southwest Rural Economic Area Partnership is a non-profit corporation operating under the REAP Investment Fund, a 501(c) 3 incorporated within the state of North Dakota.

SW REAP has developed a Partnership Fund, and a Micro Loan Fund to be used for the purpose of furthering partnerships, businesses and projects that will positively impact its geographic region - the counties of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope and Stark. All fund requests must originate in and benefit these SW REAP counties.

All proposed projects should meet one of the SW REAP Goals as follows:

- Utilize the REAP designation to alleviate out-migration
- Increase job and business opportunities
- Encourage and participate in partnerships for economic development

Funding for this project comes from several sources. The SW REAP Board may allocate funds to other work plan areas and may change or redefine these guidelines without notice. Prospective applicants should check with SW REAP to see if funding is available and if the funding guidelines have changed.

Specific guidelines for each fund are enclosed. Applicants should read the guidelines and complete the form [SW REAP Application & Request for Funding](#) and submit it with their project narrative and budget plus any appropriate attachments. Applicants appear in person before the SW REAP Board to request the funding. Your local county economic developers are encouraged to assist and accompany applicants to these meetings.

The SW REAP Board meets the second Thursday of February, April, June, August, October and December. All requests must be submitted by noon of the Thursday preceding the meeting date.

Send the application and attachments by email to swreap@gmail.com or mail to SWREAP, 921 16th St W, Dickinson, ND 58601. Questions should be directed to the Executive Director at 701-260-3625. Applicants will be notified of their presentation time and date. Presentations should be approximately 5 to 10 minutes.

The Board will make final decisions on eligible costs and match requirements for each project. If a cost is not allowed, the application can be approved without the ineligible cost or the application can be returned to the applicant for revisions. If approved by the SW REAP Board, the requested funds will be set aside. The approved applicant must sign a Promissory Agreement, provide documentation of match and request the full monetary amount in one lump payment within six months of the approved meeting date as their approved status expires at that time. The board will reconsider expired applications. Note that some applicants may have a tax liability for funds received depending on their business or organizational structure.

Applicants and/or their local development group should publish the press release as provided or a similar document upon approval or receipt of funding. [A copy should be sent to the SW REAP Executive Director by email.](#)

For more information or assistance, contact your local development group or corporation listed in the following table.

Partnership Fund Guidelines

The Board will only consider proposals that contain partnerships. These partners can be group(s) of people who are organized for a specific purpose to accomplish a specific task(s). A partnership can be defined as more than one group of people or a group of people and/or organization(s) or agency(s) working to accomplish the same task(s). Under no circumstances will proposals be considered from a sole individual or a single repayment source.

The board encourages partnerships to submit proposals if they meet the following criteria:

- (1) Projects should meet at least one of the goals and objectives of SW REAP.
- (2) Fifty percent or less of the funding or intended funding for the project is requested from SW REAP.
- (3) The project shows proof it will benefit persons beyond those in the partnership.
- (4) The project does not immediately benefit an individual or give ownership of the rights or benefits of the product/knowledge produced in the proposed partnership to an individual(s). If the product produced does eventually benefit an individual, such as spur a business start-up, SW REAP may expect repayment of the funds. The terms of the approved request will identify the time and means of repayment.
- (5) The partnership agrees to make known in their publicity and as a general courtesy with other audiences that SW REAP is a project partner.
- (6) The SW REAP Board has very limited funds and projects should offer solutions to issues or challenges that on a regional scale or impact or can seek solutions that can be duplicated.

Eligible Applicants & Forms

Applicants can be formal or informal groups, local economic development corporations or locally recognized development groups, chambers of commerce, county, city, or tribal entities, a government agency or political subdivision. The application must identify the lead entity that will be responsible for fiscal management and reporting requirements.

Funding Amounts

The fund has no maximum or minimum amounts. Grant awards range from \$500 to \$10,000 in most cases. In-kind contributions should be included in the project application, but will NOT apply towards the dollar match requirement. Letters or other documentation of support should outline the contribution of the letter writer and/or the contribution of the group he/she represents. Don't include letters that only support the concept of the project.

Allowable Costs, Grants or Loans

Allowable costs will be determined at the discretion of the SW REAP Board. All funds are distributed as loans.

Distribution of Awarded Funds

Approved project expenditures will be reimbursed by SW REAP or paid under the terms of the loan. In some circumstances, funds can be released prior to expenditures. The SW REAP board requires all expenses identified in the budget be accounted for and that a written report(s) are submitted according to the terms of the contract.

Repayment of Funds

Repayments, conditions, and requirements will be outlined in the loan. The terms of the loan will identify when and how funding is to be repaid.

Micro Loan Fund Guidelines

Definition of a Micro Business and Small Business

Under this fund, the applicant(s) must be in the SW REAP Zone and employ one to 10 people or be a new venture that would be located in and employ people in the zone.

Activities Under the Fund

The fund will cover no more than 50% of project costs, or \$10,000 whichever is less in any one application or combination of applications under this fund. The award includes a \$150 processing fee which is repaid by the applicant with their first payment. Requests can be for business plans, product development, research & development, marketing plans, marketing activities or other business activities as approved by the SW REAP Board.

Match Funding

Match funding must be in cash. Match funding does not have to be equal to the full project cost. It should reflect the first year's operations if possible but must be enough of the proposed project to realistically complete the project or a full phase of the proposed project.

The applicant must show proof the match funding is available before they can request the drawdown. This includes bank statements, loan approvals from banks or local funding programs, or by actions completed such as proof of payment made on a contract for deed, etc.

In-kind contributions will not be considered match funding. Applicants may want to include in-kind contributions in their budgets to show the full financial picture of the proposed activity.

Terms for Repayment

Each applicant will need to enter into an agreement with SW REAP for the repayment of the funds including the processing fee. All funds awarded need to be repaid in monthly installments beginning no later than six months from the date of the agreement or as set by the Board. The awarded funds must be repaid in full over a period of three years from the date of the agreement.

The payment amount shall be the quotient of the loan amount divided by the 30 month repayment period or \$50/month, whichever sum is greater. No interest will accrue during the first three years of the loan as long as the terms are met. The applicant may meet with the Board at any time to discuss repayment options.

Default

In the event the applicant is in default in any of the terms and conditions of the loan agreement, then in that event any unpaid sums shall become immediately due and payable together with interest at the rate of 6% per annum. The SW REAP Board reserves the right to resort to any legal means available to it to collect the same.

In the event that proposed activities are not substantially implemented within 180 days of the receipt of funds, the funds received shall become due and payable upon demand subject to the conditions listed above.

Reporting

Upon request, the Contractor will provide information or reports or a final report identifying those accomplishments under the scope of work or project narrative and budget as well as an accounting of the expenditures plus provide proof of the match funds being received. Proof of the expenditures may include canceled checks, minutes of meetings authorizing expenditures, or certifications of the auditor or treasurer of the contractor and/or other donators to the project.

Please include photos if appropriate. The Contractor shall provide copies of their financials covering the term of the agreement if requested by SW REAP.

Sponsorship

All Micro Loan applications must be sponsored by the local development corporation or in Stark County, the Small Business Development Center. Sponsorship requires a written statement of sponsorship.

Development Loan Fund Guidelines

Under this loan fund, the applicant(s) must be in the SW REAP Zone, and employ one to ten people, or be a new venture that would be located in, and employ people in, the zone.

Activities Under the Fund

The fund will cover no more than 50% of project costs or \$30,000.00, whichever is less, in any application or combination of applications. For a period of one year from the closing of the loan, the borrower of less than the maximum may apply for additional amounts up to the maximum without submitting a complete application and documents. The loan includes a \$150.00 processing fee.

Match Funding

Match funding must be in cash, and must be sufficient to realistically complete the project, or a full phase of the

project.

The applicant must furnish proof the match funding is available before requesting approved loan funds. Such proof may include bank statements, loan approvals from a primary lender, or proof of payments made toward project. In-kind contributions will not be considered as match funding.

Security

Security must be provided. Such security must be equal to the loan amount and may include, but is not limited to, mortgages, titles, stocks, bonds, or other instruments. All costs related to filing of mortgages, UCCs, or other costs will be the responsibility of the borrower.

Additional Application Requirements

- Application must be submitted to SW REAP no less than 14 days prior to board meeting.
- An APPROVED financial statement, credit report, and credit score must accompany the application.
- Two years income tax returns (including schedule C or F) must accompany the application.
- Personal guarantees will be required {mandatory for partnership or limited liability entity}. • L o a n application requires a written statement of sponsorship by the local development entity.

Terms for Repayment

Each applicant will need to enter into an agreement with SW REAP for the repayment of the funds (including fees). All funds loaned must be repaid in regular installments beginning no later than six months from the date of approval. The loaned funds must be repaid in full over a period of not more than five years from the date of approval. Interest will accrue at a rate of 1% per annum, or at such rate as determined by the SW REAP Board.

Default

In the event the Borrower is in default of any of the terms or conditions of the loan agreement, any unpaid sums shall become immediately due and payable, together with interest at the rate of 6% per annum. The SW REAP Board reserves the right to resort to any legal means available to it to collect the same.

In the event proposed projects are not substantially implemented within 180 days following the approval of the agreement, any funds not transferred to the borrower shall be held by SW REAP, and any funds received by the Borrower shall become immediately due and payable upon demand.

Reporting

Upon request, the Borrower will provide information, reports, or a final report, accounting for expenditures, plus proof of match funds. Proof of expenditures may include canceled checks or certified receipts. The Borrower shall provide copies of their financials covering the term of the agreement, if

Requested by SW REAP



Southwest Rural Economic Area Partnership
Executive Director (701)-260-3625
%Sherri Cooke
921 16th St W Dickinson, ND 58601

Application & Request for Funding

Check One: Partnership Fund Micro Loan Fund

Project Title:

Contact Person:

City, State, & Zip Code:

Phone Number and Cell Number:

Email Address:

Funding Request (Micro Loans include the \$150 Fee):

Match Amount:

Total Project Cost: Project

Start Date:
Project End Date if applicable: Required

Attachments:

Project Description: Brief narrative detailing what will be accomplished, anticipated results or goals, and why the funds are needed.

Projected Budget: Attached detailed source and line item budget for the project including the source of funds (both committed and potential donors), expenditures, and specific costs for which the requested funds will be used.

The undersigned certifies that he/she is duly authorized to verify the foregoing application that he/she has read the same and is familiar with the statements contained herein and that the same are true and correct.

Enter Name (signatures required)

Date



Micro Loan Application Checklist

Application

- Complete and sign original application
- Project Description:

Who are you, where do you live and what do you do now

Tell us about your business, length of operations and about your product or services

New start-up businesses should tell us about the proposed business and product or service

What is your business type (Sole Proprietor, LLC, Corporation, etc.)

What is your business background, and how will that will make you successful

What do you plan to do with the funds and how will that benefit your business

How do you know this will work and what is your outlook for the next year

How will you market your business and who are your competitors

Indicate jobs created, jobs retained or expansion

Loan Information

- Sources and Uses of funds
- Request payment start date and why (must begin within 5 months of receipt of the loan)
- Letter from your local development corporation, Jobs Development Authority (JDA) or SBDC representative that concurs with the date your payments start and supports the loan.

Financial Information

- Current credit report for each partner in the business (free at www.annualcreditreport.com)
- Anticipated revenues and expenses for one year
- Personal and/or businesses-Financial Statements (balance sheets)
- Complete Personal and/or Business Tax Returns

Other

- Partnerships must provide a formal partnership agreement for operations and dissolution of the company
- Bring to the loan review an pictures, brochures or samples that demonstrate your product or service