

Gabriola Community Investment Co-op

Guidelines for loan proposals

The Gabriola Community Investment Cooperative (GCIC) is a members' cooperative, established in 2018 to foster the development of socially responsible enterprises on Gabriola Island. GCIC members have indicated their priorities are:

- **Sustainable local businesses and meaningful work**
- **Clean technologies and renewable energy**
- **Affordable housing**
- **Waste recovery and recycling**
- **Food security and sustainable agri-food businesses**
- **First Nations partnerships**

Does your project address any of these priorities?

1. **Community Health** — Does your project contribute to the health and well-being of those it serves and as well as the island's ecosystems?
2. **Localization** — Does your project provide local goods or services to local people? Will it consider local sourcing and distribution networks? Does your enterprise work towards building community, complementing and cooperating with other local enterprises?
3. **Energy** — Does your project result in reduced fossil fuel use and/or a reduced carbon footprint? What energy saving strategies do you or will you employ?
4. **Business Principles** — Is your project financially viable? Does it support green and fair trade objectives such as affordable, sustainable products and services and good livelihoods for employees?

If you believe your project fits any of these criteria, we encourage you to apply for a Co-op loan.

Step 1—Contact Us

If you feel your project addresses any of the above criteria, please email us at info@investingabriola.ca. If the project is eligible you will be invited to submit a Letter of Interest. All communications will be subject to a non-disclosure agreement.

Step 2—Submit a Letter of Interest to the advisory board.

The Letter of Interest (preferably no more than one page) should include the following:

- Your name and contact information
- Name of organization, business or individual applying for financing
- Name of project
- Brief description of project including how it addresses GCIC criteria

- Amount of financing requested from the Investment Co-op and proposed use of funds.
- Date when funds are required and length of time the funds are needed

Step 3—Meet with the Advisory Committee

A first meeting with the Advisory Committee is your opportunity to explain the project in more detail and allows them to ask questions about the project. You will also learn how the Co-op financing works. If there is a mutual interest in proceeding, you will be asked to supply the following to allow the Advisory Committee to evaluate your proposal:

- A short business plan including a cash flow projection that demonstrates financial viability and ability to repay the loan.
- A biographical note outline the skills, training, and experience that you, your partners and/or prospective employees have that will enable you to operate and manage the project.
- For an existing business, the last two years' financial statements and balance sheet. For a sole proprietorship, a personal net worth statement.
- A list of permits, licenses, leases and agreements needed to undertake your business and the steps taken or that will be taken to obtain them.
- A copy of your recent credit report.
- Three references, two personal and one business.

A Confidentiality Agreement will be signed regarding the sharing of financial and other private information.

Step 4—Project Approval

Based on the evaluation by the Advisory Committee, the Directors will make the final funding decision. If your project is approved, the Co-op will negotiate the terms of the loan with you (interest rate, administration fee, repayment schedule, security etc.).

If the Directors feel that a project potentially has a large community value but the project is deemed risky due to the applicant's lack of business experience, the project may still go ahead with a mentor suggested by the applicant, the Directors or the Advisory Committee.

Legal agreements and other matters

You do not need to become a member of the GCIC. The Co-op will draw up standard loan documents including loan repayment schedules, and, depending on the nature of the project, there may also be other documents to sign. When all the paperwork is completed, GCIC will provide you with a cheque.

Step 8—Project monitoring and follow up

The requirements for regular reporting to the GCIC during the term of the loan will be specified in the loan documents.

The GCIC is here to help you succeed. We recognize that many of our loan applicants may not be experienced or sophisticated business managers and may benefit from advice and mentorship in the early stages of their venture. Our primary interest is in helping your project succeed to the benefit of you, and our community.