

# Glacier County Economic Development

## Economic Development Incentive Loan with Grant-Back Program

This program overview and agreement set forth by Glacier County Economic Development (GCED) offers small businesses within Glacier County, Montana the opportunity to apply for and receive an Economic Development Incentive Loan designed to encourage and support small business growth within the region.

This program offers qualified businesses a two-year, low-interest loan with the opportunity to have the **full principal amount** granted back at the end of the loan term and upon meeting specific operational and compliance criteria.

### Loan Terms

- **Loan Amount:** Up to \$5,000 (amount borrowed will determine payment schedule; \$5,000 example below is for illustration purposes).
- **Term:** 24 months.
- **Interest Rate:** 6% fixed annual rate.
- **Payment Structure:** Fully amortized over 24 months. Example: For a \$5,000 loan, monthly payments would be approximately \$221.60.
- **Principal Grant-Back:** At the conclusion of the two-year term, and upon verification of compliance with program criteria, GCED will issue a GRANT to the borrower equal to the total principal repaid during the loan term.

Interest is not refunded; for example, on a \$5,000 loan, the borrower's net cost equals the total interest paid over the 24 months (approximately \$318.47).

### Eligibility Criteria

To be eligible for principal grant-back, the borrower must:

1. Make all scheduled loan payments in full and on-time (a 3-day, no-penalty grace period will be given during the full 24-month loan term. If

payment is not received within this grace period, the payment will not be considered on-time and will count against the borrower).

2. Maintain an actively operating, viable business in Glacier County throughout the loan term.
3. Submit quarterly profit and loss (P&L) statements for the business.
4. Demonstrate that a bookkeeping system has been implemented and maintained during the loan term.
5. Ensure that quarterly P&L statements cover the preceding three months and are consistent with bookkeeping records.
6. Participate in quarterly meetings with a Small Business Development Center (SBDC) advisor, with attendance documented by the advisor and the borrower.

### **Compliance Verification**

- P&L statements must be submitted no later than 30 days after the end of each quarter.
- Documentation of bookkeeping system usage (e.g., QuickBooks, Wave, Excel, Google Sheets) must be provided at least once during the loan term.
- SBDC advisors will submit quarterly attendance confirmation to GCED, but ultimately it is the borrower's responsibility ensure this process is complete.

### **Selection Process**

- A maximum of \$5,000 will be awarded each quarter.
- If multiple applications are received, GCED will make awards based on published scoring criteria that consider business viability, community impact, and financial preparedness.

### **Default and Consequences**

- Two missed payments or failure to meet reporting or meeting requirements will result in ineligibility for the grant-back option and immediate repayment of the remaining loan balance.
- Collateral equal to the original loan amount will be required and released upon successful grant-back. If loan defaults, GCED will retain ownership of collateral.
- As it applies, legal action may be taken to recoup the remaining balance or collateral on a defaulted loan.

### **Program Benefits**

- Encourages strong business financial practices through bookkeeping and quarterly reporting.
- Provides accountability and guidance through quarterly SBDC advisor meetings.
- Offers a financial incentive for compliance and performance, reducing the net cost of borrowing to interest-only.
- Strengthens local businesses while protecting GCED's investment and community resources.