

## Board Action: Amendment of the CLIMBER Products Policy and Procedures with Respect to Including Language to Broaden Working Capital Definition

### Background:

The Board adopted “CLIMBER Products” includes policies that define business working capital for the CLIMBER Program. The Board is amending a portion of that definition to broaden the terminology of items that fit into working capital but are not specifically called out in the definition for businesses requesting CLIMBER Loan funds.

### Board Action:

The Board amends the policy as follows (Except for the highlighted information, the language below is from the current adopted Board policy)

#### Definition of Working Capital:

- Proceeds are required to be used for working capital which may include inventory, marketing, payroll, refitting workspace for new social distancing guidelines, new or used equipment (such as but not limited to: tools, machinery or vehicles), operating and emergency maintenance, property taxes, utilities, rent, supplies, making regularly scheduled interest and principal payments on mortgages, loans, and existing debt or paying off existing debt that is due within 90 days and other working capital uses
- Refinancing of an existing loan is not permitted except as explicitly in the CLIMBER Rules
- The loan applicant will be required to describe anticipated use of funds when they apply and certify that the use of funds will not violate terms.

### Rationale:

The CLIMBER Board is generalizing the working capital definition to reduce revisiting items or specifically calling out all items considered in working capital as eligible expenditure of funds by businesses. Each business has different working capital needs and broadening the definition is more inclusive for all business needs.

### Conforming Amendments:

The Board instructs staff to make the conforming amendment to the “CLIMBER Products” policy documents and to all marketing materials related to “Working Capital”.