



**Nechako-Kitamaat  
Development Fund Society**

**- Business Plan -**

**2015 – 2016**

April 1, 2015

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**NKDF BUSINESS PLAN**

## EXECUTIVE SUMMARY

Nechako-Kitamaat Development Fund Society (NKDF) was incorporated on August 18, 1999 for the purpose of supporting sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The Society spends the income from its long-term investments on programs and projects that meet each community's goals for sustainable economic development and community stability.

The government of British Columbia and Alcan Aluminum Limited (Rio Tinto) each contributed \$7.5 million to create the BC-Alcan Northern Development Fund. Of the \$15 million, \$5 million was allocated to a working fund and \$10 million was used to establish an economic development Legacy Fund in perpetuity.

Local governments and legally incorporated non-profit organizations are eligible to apply for NKDF funds. While remaining open to partnering in larger regional projects, the Society encourages applications from the following communities and surrounding areas:

Kitamaat Village	Village of Burns Lake	Nadleh Whut'en Band
Southside	Burns Lake Band	Fort Fraser
Nee Tahi Buhn Band	Lake Babine Nation	District of Vanderhoof
Cheslatta Carrier Nation	Stellat'en First Nation	Saik'uz First Nation
Skin Tyee Band	Village of Fraser Lake	

Since inception, NKDF has approved \$8,862,009 for economic development and community stability projects across the investment area. The following table shows the dollar value of approvals for each year of operation.

<b>Year</b>	<b>Approvals</b>
<b>1999-2010</b>	6,309,221
<b>2010-2011</b>	553,903
<b>2011-2012</b>	401,639
<b>2012-2013</b>	513,394
<b>2013-2014</b>	552,847
<b>2014-2015</b>	531,005
<b>All Years</b>	<b>8,862,009</b>

The Society plans to invest \$500,000 in projects across the investment area during the 2015-2016 fiscal. The Board of Directors will request a transfer in the amount of \$500,000 from the BC Investment Management Corporation.

This business plan details how the Board of Directors will continue to support economic development throughout the NKDF investment area, while maintaining the legacy investment fund in perpetuity.

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## INTRODUCTION

### ***Mandate***

The Nechako-Kitamaat Development Fund Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The NKDF Society spends the income from its long-term investments on programs and projects that meet each community's goals for economic development and community stability.

### ***Background of the Fund***

Nechako-Kitamaat Development Fund Society was founded as a result of an out-of-court settlement (the BC-Alcan 1997 Agreement). Signed on August 5, 1997, the BC-Alcan 1997 Agreement settled the legal issues between Alcan Aluminum Limited and the BC Government that arose from cancellation of the Kemano Completion Project. In 1997, the Government of British Columbia and Alcan Aluminum Limited each contributed \$7.5 million to create the BC-Alcan Northern Development Fund. In January 1998 an advisory Board for the Northern Development Fund was formed. Its job was to advise the government on how to best manage the \$15 million most effectively.

In April 1998, the legislature passed Bill 5, the "BC-Alcan Northern Development Fund Act." Enabled by this Act, and by the recommendations of the advisory Board, the NKDF Society was incorporated on August 18, 1999. The Minister of Jobs, Tourism and Skills Training appoints Board members to represent the communities of the Nechako-Kitamaat area.

- The cancellation of the Kemano Completion Project led to a conflict between the Province of BC and Alcan Aluminum Limited.
- BC-Alcan 1997 Agreement arose from an out-of-court settlement between the Province of BC and Alcan Aluminum Limited.
- The BC-Alcan 1997 Agreement led to enactment of the BC-Alcan Northern Development Fund Act.
- In 2003, the government conducted a core review. One result was the addition of Burns Lake to the NKDF catchment area.
- The BC-Alcan Northern Development Fund Act led to formation of the Advisory Committee to advise the Minister with respect to payments from the fund.
- Nechako-Kitamaat Development Fund was founded in 1999 to promote sustainable economic development in communities that were directly impacted by the creation of the Nechako Reservoir.

***Nechako-Kitamaat Development Fund Society Guiding Principles***

COMMUNITY ECONOMIC DEVELOPMENT	NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from within the Nechako Region, Lakes District and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.

Of the original \$15 million, \$5 million was provided to NKDF to be used as a working fund to invest in community and regional economic development projects. The remaining \$10 million of the original \$15 million was placed into a legacy fund with the goal of investing and growing the fund to \$15 million, and the income from the legacy fund to be used to finance NKDF investments into the future.

Fund investments are managed by the provincial government, through the Office of the Chief Investment Officer. Monies of the Northern Development Fund—to be used in support of the programs of the NKDF Society—are in investment vehicles which are generally conservative but which also provide some opportunities for growth.

### ***How and Where the Fund Invests***

The investment area for NKDF is normally limited to those communities with evidence of impacts from the Nechako Reservoir and the Kemano power project. Eligible applicants are local governments and legally incorporated non-profit organizations. The Society encourages applications from the following communities:

Kitamaat Village	Village of Burns Lake	Nadleh Whut'en Band
Southside	Burns Lake Band	Fort Fraser
Nee Tahi Buhn Band	Lake Babine Nation	District of Vanderhoof
Cheslatta Carrier Nation	Stellat'en First Nation	Saik'uz First Nation
Skin Tyee Band	Village of Fraser Lake	

## **MANAGEMENT STRUCTURE**

### ***Managing the Society's Operations and Projects***

The Manager is responsible for overseeing the operations of the Society, and takes direction from the Chair between Board meetings. The Manager's detailed job description is in Appendix B, sections 7.4 - 7.5.

### ***Managing the Society's Finances***

The Chair, the Secretary-Treasurer and the Manager will have signing authority on chequing accounts for administration and funding assistance, on term deposits and on the investments held with Phillips, Hager and North. The balance of the Northern Development Fund is held and managed by the British Columbia Investment Management Corporation.

Cash is held in interest-bearing chequing accounts at local credit unions, with amounts surplus to 90-day requirements to be invested in higher-earning but cashable term deposits. All cheques require two signers.

The Manager maintains NKDF monthly financial records using Sage Simply Accounting software, and the Board appoints an accounting firm at each Annual General Meeting to perform an independent review of year-end finances. Edmison-Mehr Chartered Accountants of Smithers, BC has been selected as the auditor for the 2015-2016 fiscal.

The Finance Committee (convened as needed) develops and reviews investment policies and select investment vehicles in a competitive process to ensure NKDF funds are invested conservatively and with the best rates of return possible. The Board makes the final decisions on all Finance Committee recommendations.

In August 2001, the Board of Directors selected Phillips, Hager & North (PHN) to manage NKDF investments. The Board receives quarterly reports from PHN and reviews them regularly for compliance with the investment policy. NKDF manages investment liquidity and risk factors in keeping with guidelines established by Ministry of Finance and targets set by the NKDF Board of Directors at an Annual Strategic Review and Planning Session held in May of each year.

### ***Managing the Society's Meetings and Decision-Making Processes***

The Board meets in person or via conference call up to four times each year, with additional meetings convened as needed. Meetings are held in communities throughout the investment area, with portions of each meeting open to attendance by the public. The Board of Directors employs consensus for all decision-making. (For more details, see Appendix B, Policies and Procedures)

Public accountability is created by:

- Allowing delegations and visitors to portions of each Board meeting.
- Making decision records publicly available upon request.
- Maintaining communication between the Manager and a representative of the provincial government between meetings regarding significant issues as they arise.
- Providing an Annual Report to the funding partners (the Provincial Government, Rio Tinto, and the public), both by distributing individual copies on request and by posting the Annual Reports at the Society's website at <http://nkdf.org/news/annual-reports>.
- Preparing an annual Business Plan with performance measures and targets, available to the public at the Society's website at <http://nkdf.org/news/business-plans>.
- Having a public process for selecting Board members, consisting of a minimum of two weeks of advertising and inviting local governments to nominate director candidates whenever a vacancy occurs. All candidates are then ranked according to objective criteria listed in the Director's job description and sent to the Provincial Government for consideration.

### ***Managing Evaluation of the Society's Operations and Programs***

The Board of Directors evaluates and reviews the Society's performance goals annually. Directors will do an internal evaluation of NKDF operations and programs by the end of March of each year, and the results will be summarized in the Annual Report. The Society Chair will lead the evaluation with participation by the Board and the Manager. The evaluation will be based on the following points:

- What is working well?
- What is not working well?
- Are we achieving the goals stated in the year's business plan?
- If not, what obstacles are we encountering and how might they be removed?

The annual report will evaluate the adherence to the Guiding Principles and accomplishments in funding economic development projects.

The Board of Directors will evaluate management services each fiscal year, and at least six months prior to contract expiry. The Chair will lead the evaluation, with participation from the Board and Manager. The evaluation will be based on the contract deliverables, with each deliverable being reviewed according to the following:

- Was each deliverable completed as expected?
- If not, how did the outcome differ from expected?
- What can we learn from our experiences?
- What is working well?
- What is not working well?
- How can we improve our administration?
- What can we do about those obstacles?
- What can we do to make improvements or changes?

### ***Managing the Society's Communications***

The Manager develops and implements a communications strategy, using media releases, a web-site ([www.nkdf.org](http://www.nkdf.org)) and by direct contact with local, provincial and federal agencies. The Communications Strategy is comprised of six goals:

1. To create an identifiable regional image for the Nechako-Kitamaat Development Fund Society and its funding partners, the Provincial Government and Rio Tinto;
2. To inform prospective applicants about the Fund, its purpose, priorities and how to apply for funding;
3. To inform related agencies and individuals about the economic development projects financed by the Fund;
4. To raise and maintain the profile of the Board members in their home communities and throughout the Fund area;
5. To comply with provincial government reporting requirements;
6. To track and evaluate the effectiveness of all communications.

### ***NKDF Strategic Plan for 2015-2016***

The Board of Directors will adopt the following strategies for the 2015-2016 fiscal year:

- 1) To fund projects that address impacts most important to the communities.
- 2) To fund projects on a first come, first serve basis.
- 3) When provided with different applications, to choose projects that promise more economic benefits over those that offer fewer economic benefits.

The Board of Directors believes there is always room for improvement, and will be vigilant ongoing for opportunities to innovate and respond to community needs.



### **NKDF Funding Program Criteria for 2015-2016**

The funding program supports projects that address one or more of the following key aspects of economic development in the NKDF investment area:

- **Infrastructure:** the public facilities, equipment or installations needed to support business, jobs, community stability, including items that enhance the quality of life and develop communities' ability to attract and retain residents and businesses. Examples: lighting, water, sewer, transportation, telecommunications, recreation facilities and beautification.
- **Planning and Research:** the background information a region or industry sector requires for making sound decisions about future investments. Examples: product testing, market research, needs assessments, surveys and strategic planning.
- **Human Development:** the skills training that enable people and organizations to increase employment and economic activity. Examples: workshops and courses.
- **Promotion and Brokering:** the process of building new organizations, partnerships and markets. Examples: marketing plans and joint ventures.

#### **Priority will be given to projects that:**

- Fit in the context of long-term community economic development plans.
- Enable a community to acquire public or private investment.
- Lead to long-term jobs in the region.
- Promote economic activity and remove constraints from the business sector in the investment area, without subsidizing any individual business.
- Have community buy-in, demonstrated by support letters and donations from local government and other organizations within the local community.
- Have benefits continuing after the funding is invested and the project complete.

#### **Costs eligible for NKDF funding**

The fund will not normally cover more than 50% of project costs.<sup>1</sup> In-kind donations are acceptable at market rates and must be verifiable and documented by written commitments from donors. Funds can be used towards:

- Contracted goods and services.
- Capital costs, materials and supplies, excluding the costs of land.
- Incremental labour (wages plus employer costs) and related costs such as supervision, travel, training and skill development.<sup>2</sup>
- Rent or lease of facilities and equipment dedicated to the project.
- Specific administrative costs to a maximum of 10% of a request.

#### **Ineligible projects and costs**

- Funds cannot be used to subsidize or compete with private enterprise.
- Funds cannot be used to pay wages of employees doing their regular jobs.
- Funds cannot be used to pay GST.
- Funds cannot be used to pay for any costs incurred prior to a project's start date.

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<sup>1</sup> Note: Ineligible costs cannot be used to leverage NKDF funds.

<sup>2</sup> Incremental costs are those expended toward completion of a project, but which would not occur if the project didn't exist.

## **PROGRAM ADMINISTRATION**

During 2014-2015, administration costs were maintained at reasonable percentages of the total amount of funds awarded.

### ***Funding Programs***

The Society approved \$531,005 in funding assistance during the 2014-2015 fiscal, bringing the approved since inception to a total of \$8,862,009. During the 2015-2016 fiscal, the Society will make \$500,000 available for qualifying organizations throughout the investment area. For more information on this projection, please see the fiscal plan on page 12.

The success of the funding program can be attributed to a number of factors:

1. Directors create public awareness and profile by attending NKDF events and promoting the Society within their communities.
2. Residents are aware of the Society because of ongoing visits by the Manager and Directors, and through signage posted at each funded project location.
3. Promotion at the NKDF website, at the NKDF Facebook page, and in local media, highlighting successful projects, people and organizations throughout the investment area.
4. Responding to community and organizational needs promptly and effectively.

Based on current enquiries to the Society, the Board anticipates continuing high demand for assistance. In addition to the factors noted above, the Board has created a framework for ongoing evaluation of the funding program and the Society. The framework identifies the evaluation points, methods and processes for measuring and reporting results into the future.

Funds will be awarded to a range of community and economic development projects in a timely and fair manner, based on evaluation criteria provided in the guidelines. The Manager will evaluate the proposals, giving the proponents every reasonable opportunity to revise their proposals before the final deadline.

Cheques will be issued only after both parties sign a legally binding contribution agreement, detailing the terms and conditions of project evaluation, proponent reporting and NKDF funding. The Manager or a sub-contractor approved by the Board will evaluate all funded projects before releasing the final payment to ensure that the project meets the terms of the contribution agreement.

The entire funding program will be evaluated annually before the end the fiscal year with results to be summarized in the Annual Report. The evaluation will cover:

- How many, what types and what dollar value of projects were approved and funded?
- How many proposals were rejected and why?
- Were the overall results/benefits achieved or not achieved?
- If anticipated results were not achieved, what happened? What can we learn?
- Did we achieve regionally equitable distribution of funds?
- Are the reporting/communications from successful applicants adequate?
- Did the funded projects meet the Guiding Principles and Mandate of the Society?

- If not, what happened? What can we learn? Should the Guiding Principles and Mandate be refined to reflect emerging needs in the investment area?
- Has anyone complained about an award because it appeared to be subsidizing a business, or for any other reason? If so, what adjustments need to be made, if any?
- What can we do to improve program delivery and effectiveness?

For more information on the funding program refer to *Appendix C, Program Guidelines*.

## 2015–2016 FISCAL PLAN

The Board has set a target of \$500,000 for community economic development funding in the region this year. At April 1, 2015, NKDF assets are valued at \$2,001,725.

**Table 1 (summarizes the spending plan for 2015-2016)**

<b>Projected Cash Flow</b>	
<b>Projected Income</b>	
Transfer from BCIMC	\$500,000
Investment Income	\$100,084
<b>Total</b>	<b>\$600,084</b>
<b>Projected Expenses</b>	
Administration Expenses	\$102,633
Prior Years Funding Program Expenditures	\$247,421
New Funding Program Expenditures	\$250,000
Excess (Revenue over Expenses)	\$30
<b>Total</b>	<b>\$600,084</b>

For more detail on expenses, see *Appendix A: Budget Projections*.

### **Five Year Fiscal Plan**

The Fund was established with the purpose of benefiting communities in the investment area for as long as the Kemano power project continued to affect the region. To meet that objective, the Board of Directors has to balance two “bottom lines” in their spending strategy—one bottom line is to invest in and support current economic development activities in the investment area and the other is to establish an economic development Legacy Fund in perpetuity.

This business plan is reviewed annually and updated to incorporate new information on operating account interest rates and rates of earnings on British Columbia Investment Management Corporation investments. As rates change, the spending plan can shift accordingly to maintain a minimum of \$15 million in the legacy fund.

The following five-year plan represents a balance between the needs of the area for immediate investment while maintaining the legacy fund in perpetuity.

## Nechako-Kitamaat Development Fund Society Business Plan 2015 - 2016

This year the Society plans to make \$500,000 available to assist community organizations with matching funding (See Table 2). The Board of Directors will request a transfer in the amount of \$500,000 for 2015-2016, as well as requesting that \$500,000 be appropriated for the 2016-2017 fiscal year.

**Table 2: 5 Year Plan**

<b>5-YEAR FINANCIAL PLAN</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Anticipated New Funding Targets	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Opening Balance NKDF Assets	\$2,001,678	\$2,001,708	\$2,003,793	\$2,005,983	\$2,008,282
Transfers from BCIMC	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Funding Payments In Year	(\$497,421)	(\$495,000)	(\$495,000)	(\$495,000)	(\$495,000)
Administration	(\$102,633)	(\$103,000)	(\$103,000)	(\$103,000)	(\$103,000)
Investment Income Assumption	5.00%	5.00%	5.00%	5.00%	5.00%
Earnings - PHN, Integris, Other	\$100,084	\$100,085	\$100,190	\$100,299	\$100,414
<b>Closing balance NKDF funds</b>	<b>\$2,001,708</b>	<b>\$2,003,793</b>	<b>\$2,005,983</b>	<b>\$2,008,282</b>	<b>\$2,010,696</b>
Opening Balance BCIMC	\$15,881,286	\$15,857,725	\$15,833,456	\$15,808,460	\$15,782,714
Investment Income Assumption	3.00%	3.00%	3.00%	3.00%	3.00%
BCIMC Earnings	\$476,439	\$475,732	\$475,004	\$474,254	\$473,481
Transfers from BCIMC to NKDF	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Closing Balance BCIMC Funds</b>	<b>\$15,857,725</b>	<b>\$15,833,456</b>	<b>\$15,808,460</b>	<b>\$15,782,714</b>	<b>\$15,756,195</b>
<b>Total BCIMC Plus NKDF Assets</b>	<b>\$17,859,433</b>	<b>\$17,837,250</b>	<b>\$17,814,443</b>	<b>\$17,790,996</b>	<b>\$17,766,892</b>

## Appendix A: Budget Projections

<b>OPERATING BUDGET</b>	<b>2014-2015</b>	<b>2015-2016</b>
	<b>Actual</b>	<b>Projected</b>
Accounting and Audit Services	4,497	4,800
Advertising and Promotion	2,998	1,400
Bank Fees	0	50
Honorariums	6,700	7,000
Insurance	1,015	1,100
Office	2,274	2,000
Subcontract - Manager	59,374	60,879
Subcontract - Other	0	5,000
Telephone	3,776	2,244
Supplies and Equipment, Maintenance	2,607	6,160
Travel and Meetings - Board	8,783	8,000
Travel and Meetings - Manager	855	4,000
<b>Total Operations Expenses/Income</b>	<b>92,878</b>	<b>102,633</b>

<b>PROJECT FUNDING BUDGET</b>	<b>2014-2015</b>	<b>2015-2016</b>
	<b>Actual</b>	<b>Projected</b>
<b>Total Project Funding Expenses</b>	487,655	497,421

**Appendix B: Policies and Procedures Manual**



**Nechako-Kitamaat  
Development Fund Society**

**- Policies and Procedures Manual -  
2015 – 2016**

April 1, 2015

The Society can be reached c/o Manager, Dan Boudreau  
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NIKDF POLICIES

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## 1. PURPOSE

The goal of this *Policies and Procedures* manual is four-fold:

1. To establish and maintain orderly, consistent administration of Society business
2. To establish and foster guidelines for the effective working relationships of Board members and between the Board and its contractors.
3. To assist the Society in providing service to the community
4. To assist a new Board member or management services contractor at the beginning of his/her term as well as provide a resource for ongoing operations.

## 2. DEFINITIONS

“Board” means the Nechako-Kitamaat Development Fund Society Board

“Board member” means members of the Nechako-Kitamaat Development Fund Society Board

“The Society” means the Nechako-Kitamaat Development Fund Society

“NKDF” means the Nechako-Kitamaat Development Fund

“The Fund” means the Nechako-Kitamaat Development Fund

“The Manager” means the Management Services Contractor selected by the Board

“The Minister” means the Minister responsible for the Northern Development Fund

## 3. MEETINGS

### ***3.1. General Meetings***

The Board shall meet up to six times per year. If there is additional business to attend to between scheduled Board meetings, conference calls or special meetings shall be conducted, as necessary.

The locations of Board meetings shall be determined by Directors to achieve two objectives: to minimize costs for travel and accommodation and to achieve equity of public access for communities in the NKDF investment area. Meeting dates shall generally be established at least two months in advance and all Board members shall be notified of them in writing.

Meetings shall provide opportunities for public access. Members of the public may attend to make presentations by prior arrangement with the Manager, but may not propose motions or vote. The Manager shall consult with the Chair on any requests to make presentations.

### **3.2. Annual General Meeting**

An Annual General Meeting shall be held before the end of May every year.

### **3.3. Quorum**

A Quorum is a majority of members or such greater number as the Board may determine.

Commitment shall be made by Board members at each Board meeting to attend the subsequent meeting in order to determine if a Quorum shall be present. Or, following the Board meeting, if a Board member finds (s) he shall be unable to attend the subsequent meeting, notice shall be provided to the Manager at least one week before that meeting. If a Quorum is not expected, the Chair shall determine when to schedule an alternative meeting date.

No business other than the adjournment or termination of a meeting shall be conducted when a Quorum is not present.

### **3.4. Minutes**

The Manager shall record minutes that shall be distributed to all Board members within five working days of the Board meeting. The minutes shall include all motions, decisions and other items of business discussed. Any objections to those minutes should be relayed to the Manager.

There shall be a publicly available record of decisions following meetings, and the Manager shall provide the records of decision to appropriate persons within five working days of the meeting.

Full Minutes, after being approved by a motion of the Board, may be distributed to other parties, as appropriate.

### **3.5. Decision-making**

The Board shall use consensus as a working procedure to make decisions.

The principles of consensus are:

- ◆ The purpose of negotiations is to seek terms upon which agreement is reached, focusing on interests and concerns rather than on positions and demands.
- ◆ Participants agree to act in good faith in all aspects of the process.
- ◆ Participants accept the concerns and goals of others as legitimate and shall listen carefully, ask questions and educate themselves regarding the interests of others whether they agree with them or not.

- ◆ Participants commit to fully explore issues, searching for solutions in a problem-solving atmosphere.
- ◆ Participants agree to make a good faith attempt to share information on matters related to the decision-making process, and to facilitate broad consideration of options and solutions. All suggestions and offers shall be regarded as tentative until general consensus is achieved.

If general consensus cannot be achieved, the Board member(s) who do not agree shall provide a written submission of their interests that are not accommodated, including the measures or initiatives that could be undertaken to satisfy their interests and the other interests represented on the Board. If in a further meeting utilizing the written submission, consensus cannot be reached, then a majority vote is acceptable and the dissenting submission shall accompany the record of decision.

The Board may adopt, amend or repeal decisions from time to time, following the procedures laid out above.

Board members and contractors shall keep confidential all matters considered of a private nature, including the details of funding proposals.

If a member of the public is invited to attend a Board meeting, it is at the Chair's discretion to determine whether that person may be present if a confidential matter is raised.

### **3.6. Conflict of Interest**

A conflict of interest shall be disclosed when a Board member's or contractor's private affairs or financial interests are in conflict, or could result in a perception of conflict, with their Society responsibilities in such a way that:

- his/her ability to act in the public interest could be impaired;
- his/her actions or conduct could undermine or compromise the public's confidence in the Board member's ability to discharge responsibilities, or the trust that the public places in the Society.

Examples of conflict of interest may include, but not be limited to:

- A Board member/contractor, in the performance of official duties, gives preferential treatment to an individual, corporation or organization in which the Board member has an interest, financial or otherwise;
- A Board member/contractor benefits from, or is reasonably perceived by the public to have benefited from, a Society transaction over which the Board member/contractor can influence decisions;
- A Board member/contractor requests or accepts from an individual, corporation or organization, directly or indirectly, a personal gift or benefit that arises out of their activities with the Society, other than:
  - the exchange of hospitality between persons doing business together;

- token exchanges as part of protocol;
- the normal presentation of gifts to persons participating in public functions; or
- the normal exchange of gifts between friends.

A Board member/Contractor who has reasonable grounds to believe (s)he has a conflict of interest in any Society matter shall, if present at a meeting considering the matter:

- disclose the general nature of the conflict of interest, and
- withdraw from the meeting without voting or participating in any discussion of the matter.

The disclosure shall be recorded in the meeting minutes.

## **4. OFFICERS**

### ***4.1. General***

Officers of the Board shall include Chair, Secretary and Treasurer; and the offices of either Chair and Secretary or Treasurer may be held by the same person but there shall be at least two officers.

Officers shall be elected at the Board meeting following each Annual General Meeting. Until such time as the new Officers are elected, the existing Officers shall continue to preside.

### ***4.2. The Chair***

The Chair presides at all meetings. The Chair is responsible for the efficient management of the affairs of the Society, subject always to the instructions of the Board.

During the absence of the Chair one of the other Board members shall preside as Chair.

### ***4.3. The Secretary***

The Secretary works with the Manager to ensure that all the books and records of the Society are maintained and that all legally required notices and filings are made.

### ***4.4. The Treasurer***

The Treasurer is responsible for overseeing the financial management and affairs of the Society.

The Treasurer ensures that proper accounting records are kept, including records of all sums of money received and disbursed by the Society and the manner in which the receipt and

disbursement took place, all purchases by the Society and other amounts received by or owing to the Society and all other transactions affecting the financial position of the Society. The Treasurer shall work with the Manager in this regard.

The Treasurer shall keep such financial records, including books of account as are necessary to comply with the Society Act.

The Treasurer shall oversee the maintenance of up-to-date financial statements of Board investments.

#### **4.5. General Duties of Officers**

The Officers shall perform their respective duties in accordance with all the resolutions passed by or directions agreed to at the meetings of the Board. The Officers shall perform such additional duties as may be assigned to them by the Board and shall act as signing officers.

## **5. REMUNERATION**

Board members shall be reimbursed for per diems based on the Treasury Board Directive 1/04.

The current daily amount (\$175 for directors and \$250 for the Chair) is the maximum provided under that directive. All Order in Council and ministerial appointees must be indemnified by the Minister of Finance. Procedures for indemnification are outlined under the provisions of the Guarantees and Indemnities Regulation 258/87 of the *Financial Administration Act*. The NKDF office has copies of form FIN 170 for new directors.

Remuneration is to be reported annually to the Canada Revenue Agency on a T4A Supplementary Slip.

All appointees incurring transportation, accommodation, meal and out of pocket expenses in the course of their duties as members of the board will be reimbursed in accordance with Group 1 rates, policies and procedures established by Treasury Board Order #88, excluding the travel incidentals amount. Appointees may also be reimbursed for up to \$50.00 per day of actual childcare expenses in accordance with Treasury Board Order #253.

Reimbursement is available for damage to private vehicles, to a maximum of the cost of the deductible after all insurance claims have been made.

Should a Board member need to travel to a Society meeting from somewhere other than his/her northern home base, prior approval shall be sought from the Board.

Appointees conducting NKDF business will be reimbursed for expenses, travel and/or time, where the destination is located more than 32 kilometres from the appointee's residence. If a director is requested by the Board Chair to conduct specific business on behalf of the board or attend a specific function or speaking engagement on behalf of the board, other than educational or social functions, the Board Chair may authorize a per diem fee to the

director equivalent to the Crown Agency's applicable meeting fee. Each fiscal year the maximum remuneration payable will be limited to:

- Chair: 20 meeting fees per year
- Director: 10 meeting fees per year

## **6. FUND GOVERNANCE**

### ***6.1. Board Membership***

The Board shall have a minimum of nine and a maximum of ten members. The Board shall consist of one member from Rio Tinto, one from the provincial government, and the balance who are nominated through a public process. All shall be appointed through an order of the Minister. The majority of Board members must reside in the Nechako Region or Kitamaat Village.

### ***6.2. Responsibilities of Board Members***

The responsibilities of Board members shall be (in addition to any responsibilities any member may have as an Officer) the following:

- ◆ To attend all meetings of the Society;
- ◆ To be prepared for all meetings by reading submissions and material distributed by the Manager;
- ◆ To act honestly, in good faith and in the best interests of the Society at all times and place this duty before personal interest;
- ◆ To be familiar with relevant provincial legislation, regulations, guidelines and the resolutions and procedures of the Society;
- ◆ To respect the confidentiality of matters considered by the Board to be of a confidential or private nature;
- ◆ To perform any specific duties which may be assigned by the Board;
- ◆ To communicate information on Society activities, other than confidential information, to interested parties in their communities.

The Board shall have the authority to develop policies, procedures and programs within the mandate of the NKDF society, consistent with provincial government policy. The Board shall continue to refine the workings of the NKDF and enhance the mandate, as required, while staying true to the intent of the Fund.

In the last quarter of each fiscal year, the Board shall review the effectiveness of the NKDF programs, based on recommendations from the Manager. Adjustments and improvements to the programs may be made.

### **6.3. Conditions of Board Appointment**

The Minister shall generally appoint Board members for consecutive one-, two- and three-year terms, to a maximum of six years, with provisions for staggered starting terms. Appointments shall start on June 1 and end on May 31.

Nominations for public representatives shall be solicited by the NKDF Society Board through a public process for consideration and confirmation by the Minister. Nominations for Rio Tinto and provincial government representatives need not go through a public process but still need to be confirmed by the Minister.

Officers shall be elected at the Board meeting following each Annual General Meeting. Until such time as the new Officers are elected, the existing Officers shall continue to preside.

Board members shall conduct themselves in accordance with the Society's Constitution and Bylaws.

No alternates shall be appointed.

### **6.4. Removal of Board Members**

In the interests of efficiency and continuity, if a Board member misses two consecutive meetings without notifying the Chair of extenuating circumstances, or if annual attendance of an individual Board member falls below 66%, the Board shall request a replacement appointment.

The Board may, by a special resolution, remove a Board member for just cause before the expiration of the Board member's term of office and recommend that the Minister appoint a successor to complete the term of office.

### **6.5. Resignation of Board Members**

Any member of the Board may resign by notice in writing delivered to the Board, such resignation to be effective on acceptance by the Board. The Board shall accept any resignation at the meeting following its receipt and tender the resignation to the Minister unless the resignation is withdrawn before acceptance.

As a replacement member, the Board may recommend a nomination or may choose to re-advertise for public nominations.

### **6.6. Characteristics of Representation**

Board membership shall strive for equitable representation over time from the communities, including First Nations communities, most directly affected by the original Kitimat-Kemano hydro electric development.

Board appointments are required to have successful experience, leadership, knowledge, skills and training in at least one of the following areas: small business, labour and/or economic development, local government, small business financing or financial management.

Board members shall demonstrate collective accountability to the communities served by the Fund and shall strive to be accessible to the public.

### ***6.7. Proposal Assessment***

The Board shall make funding decisions based on criteria outlined in the NKDF Program Guidelines and the proposal evaluation tool. The Guidelines may be modified and enhanced in the light of time and experience.

### ***6.8. Communications***

The Board, and expressly its Chair, shall communicate with the representative of the Minister regarding the Board's policies and procedures.

The Board shall report annually to the Minister to ensure accountability. This annual report shall be made available to the public. The report shall evaluate the adherence to the Guiding principles, and accomplishments in economic development.

### ***6.9. Business Plan***

The Board shall oversee the development of an annual Business Plan that identifies strategies and actions for the year ahead.

The Board shall oversee the development of a five-year Business Plan that identifies investment and spending projections.



## **7. MANAGEMENT SERVICES**

### ***7.1. Reporting Relationship***

The Chair shall be the contract manager for the Management Services contract. The Chair shall be responsible for providing the Board with regular updates regarding contract performance and annual contract evaluation.

All instructions for the Manager shall be issued by the Chair. All Board members shall be free to contact the Manager with ideas and queries.

Performance evaluations shall be conducted periodically by the Chair, with input from the Board. A more formal evaluation shall be completed annually.

### ***7.2. Administration Costs***

In the interests of maximizing the effectiveness of the NKDF, the Board shall endeavour to keep administration costs to less than 10% of the annual program funding budget. These costs shall include Board meeting expenses, materials and supplies, management services, contract costs, costs associated with proposal analysis and communications including advertising, printing and design.

Other relevant costs may be allowed from time to time, as approved by the Board.

### ***7.3. Legal Services***

The Board shall appoint a lawyer as required to deal with Board business.

#### **7.4. Management Contract**

The Board shall contract management services to receive applications and provide management and secretariat services to the Board.

The Management Services contract shall be a part-time annual contract, unless otherwise decided by the Board. The contract shall be reviewed three months prior to expiration each year and renewed based on good performance and agreement on the cost of services.

The Manager shall supply all office equipment to provide secretariat services to the Board and shall have a private vehicle.

The Manager shall be required to have the following knowledge and skills:

- ◆ Developing and maintaining excellent rapport with a diverse client base and their local governments;
- ◆ Knowledge and understanding of community economies within the region;
- ◆ Strong understanding and demonstrated success in community economic development in rural areas;
- ◆ Demonstrated ability to manage time and deliver quality products in a timely manner;
- ◆ Strong communication skills, written and oral;
- ◆ Ability to provide secretariat services;
- ◆ Ability to develop and present reports including financial spreadsheets;
- ◆ Ability to interact electronically;
- ◆ Knowledge and skills in contract management;
- ◆ Good understanding of and experience in proposal writing;
- ◆ Understanding of funding programs and how to research sources of funding;
- ◆ Reputation for exercising discretion in dealing with sensitive and confidential information;
- ◆ Preferred background: established network of contacts with various levels of government and knowledge of available funding programs.

#### **7.5. Manager's Role and Responsibilities**

The role of the Manager shall be to oversee all of the Society's operations, including review of proposals, implementation of Board decisions, management of contractors, bookkeeping and financial reporting, budget management and communications leading up to and resulting from Board meetings. Specific tasks are listed below, and can be amended by the Board.

- ◆ Developing and maintaining excellent rapport with a diverse client base and their local governments;
- ◆ Providing secretariat services, mailing address, internet and phone contact;
- ◆ Managing Board meeting logistics, including holding meetings in various communities in the Fund area and allowing for public presentations as required;

- ◆ Remaining current with community economic development plans in the area;
- ◆ Determining priority funding needs in discussions with local government and economic development leaders;
- ◆ Writing of annual NKDF Business Plan;
- ◆ Drafting of annual report to Government (also to be publicly available);
- ◆ Making recommendations to the Board regarding adjustments / improvements to the program guidelines to ensure that they are meeting the needs of communities;
- ◆ Drafting operational Policies and Procedures for Board consideration;
- ◆ Coordination of projects as determined by the Board in the annual Business Plan;
- ◆ Development and implementation of a Communications Strategy;
- ◆ Screening proposals for completeness and performing due diligence on all claims;
- ◆ Sending proposal and other reading materials to directors at least one week prior to meetings;
- ◆ Responding to all applicants regarding Board decisions (within one week of Board decision);
- ◆ Distribution of the record of decisions to the Society Board (publicly available upon request);
- ◆ Managing administration expenses and Board expenses, with payment of Board expenses within two weeks of submission of receipts;
- ◆ Developing Requests for Proposals for contracts for investment companies, communications services, proposal review, evaluation and other services as required.
- ◆ Managing above service delivery contracts on behalf of the Board;
- ◆ Evaluating the effectiveness of above service delivery contracts;
- ◆ Tracking of all financial statements of NKDF investments;
- ◆ Recommending to the Board on the financial institution(s) that have made the best proposal to provide banking services;
- ◆ Ongoing visits to communities within the Fund area, with frequency negotiated jointly between the Board and Manager;
- ◆ Developing and delivering proposal orientation workshops;
- ◆ Completing other duties as assigned by the Chair.

## **8. BANKING, ACCOUNTING AND REPORTING REQUIREMENTS**

### ***8.1. Bank Account***

The Society shall open, operate and maintain an administrative bank account with a recognized financial institution. The Board shall appoint three signing officers: the Chair, Secretary-Treasurer and Manager. All cheques shall be signed by two signing officers.

The Treasurer shall direct the Manager in recording properly the financial affairs of the Society, and shall provide to the Board a complete and accurate financial statement at each Board meeting.

The Manager shall provide to the Treasurer monthly bank statements as well as a monthly bank reconciliation statement.

## **8.2. Auditor**

The financial records of the Society shall be audited once in every fiscal year, each fiscal year commencing on April 1 and ending on March 31.

An auditor shall be appointed for the coming year at each Annual General Meeting.

An audited financial statement for each fiscal year shall be submitted to the Minister as part of the Annual Report after review by the Board.

## **8.3. Other Reporting Requirements**

The Board shall produce an annual report by the end of May each year, along with appropriate communications to the Minister. This report shall be made available to the public. The report shall evaluate the adherence to the Guiding principles, detailed in Appendix A, and accomplishments in economic development.

# **9. DIGITAL DEVICE MANAGEMENT**

## **9.1. Information Management**

NKDF data and information will be stored securely on the NKDF server.

Each Director will have a unique login and password for accessing the server. Access to the server is designed to be secure, and designed so access is authorized and authenticated.

After information is retrieved and downloaded from the server, Directors have a responsibility to secure the information and not disseminate or share internal or confidential documents with unauthorized parties.

## **9.2. Technology Asset Management**

Technology assets include property such as hand-held devices, and mediums with information capacity such as hard drives, jump drives, memory cards, etc. and the information stored on them.

## **9.3. Distribution**

Upon being appointed to the NKDF Board of Directors, the incoming Board member will be provided with a username and password with which to login to the NKDF server, and have one of the following options:

1. Choose to use a device of their own to access and manage documents
2. Use a NKDF-owned device.

Devices for incoming Directors will first be selected from the current selection of available devices already owned by NKDF.

In the event that NKDF has no device available, incoming Board members will have their choice to either:

1. Request an iPad
2. Request a Surface Air, or market equivalent Tablet

#### **9.4. Purchase**

When new devices are purchased, NKDF Manager will source for competitive pricing.

#### **9.5. Appropriate Use**

Devices will be used primarily for accessing the NKDF server and downloading meeting documents.

Directors will be advised (by the Manager) to download the meeting documents and materials prior each Board meeting.

#### **9.6. Storage**

NKDF Board Members will use reasonable means and precautions to ensure the safety and security of devices while in their possessions.

#### **9.7. Loss/Replacement**

In the event of loss or damage to an NKDF device, and if all reasonable precautions were taken to ensure the safety of the device and the loss or damage falls into the following categories NKDF will replace the device.

- Accident
- Theft
- Act of God (events outside of human control)

In the event the loss or damage is the result of the Board of Directors shall determine on a case by case basis as to whether it will be the responsibility of the Board or the Director to replace the device.

- Willful damage
- Neglect

### **9.8. Transfer**

If a Director resigns or is removed from the Board after serving fewer than two years the tablet will be returned to the NKDF Manager.

If a Director resigns from the Board after serving more than two years but fewer than six years, the Director will be offered an opportunity to purchase the device at fair market value.

If a Director serves six years or longer, the Director will be gifted the tablet by the NKDF Board of Directors.

## **10. COMING INTO FORCE**

These operating policies and procedures are intended to set out significant aspects of the Society's organization. These policies and procedures shall be subject to regular review and further development in the light of experience and change. They are effective when adopted and confirmed by consensus at a meeting of the Board.

Passed by the Board May 21<sup>th</sup>, 2015

*Original Copy Signed*

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary-Treasurer

## Attachment 1: Nechako-Kitamaat Development Fund Society Guiding Principles

The management of the NKDF will be guided by the following principles:

COMMUNITY ECONOMIC DEVELOPMENT	NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from outside the Nechako Region and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of members of the NKDF Board will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.

\$5 million of the original \$15 million was provided to NKDF to be used as a working fund to invest in funding programs. The remaining \$10 million of the original \$15 million was placed into a legacy fund with the intention of investing and growing the fund to \$15 million, and the income from the legacy fund to be used to finance activities into the future.

Fund investments are managed by the provincial government, through the Office of the Chief Investment Officer. Monies of the Northern Development Fund – to be used in support of the programs of the NKDF Society – are in investment vehicles which are generally conservative but which also provide some opportunities for growth.

## Appendix C: Program Guidelines



Box 101, Prince George, BC V2L 4R9  
Call toll free: 1.877.478.3863  
Office: (250) 964.4066  
Fax: 1.888.648.3875  
Email: [Manager@nkdf.org](mailto:Manager@nkdf.org)  
Web-site: [www.nkdf.org](http://www.nkdf.org)

# Nechako-Kitamaat Development Fund Society Program Guidelines 2015-2016

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The Nechako-Kitamaat Development Fund (NKDF) Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. NKDF spends the income from its long-term investments on programs and projects that meet each community's economic development goals.

### Background of the Fund

In 1997, as part of a resolution of legal issues surrounding the cancellation of the Kemano Completion Project in northwestern British Columbia, the government of British Columbia and Alcan Inc. each contributed \$7.5 million to create the BC-Alcan Northern Development Fund. The BC-Alcan Northern Development Fund Act was passed in 1998.

Following advice from a regional advisory board, the NKDF Society was incorporated on August 18, 1999. The Minister of Jobs, Innovation and Skills Development appoints Board members to represent the communities of the Nechako-Kitamaat area.

### Who can apply to the Fund?

The investment area for NKDF is normally limited to those areas with evidence of impacts from the Nechako Reservoir and Kemano power project. We encourage applications from local governments and legally incorporated non-profit organizations serving the following communities and nearby rural areas:

- |                             |                            |                            |
|-----------------------------|----------------------------|----------------------------|
| 1. Kitamaat Village         | 6. Village of Burns Lake   | 11. Nadleh Whut'en Band    |
| 2. Southside                | 7. Burns Lake Band         | 12. Fort Fraser            |
| 3. Nee Tahi Buhn Band       | 8. Lake Babine Nation      | 13. District of Vanderhoof |
| 4. Cheslatta Carrier Nation | 9. Stellat'en First Nation | 14. Saik'uz First Nation   |
| 5. Skin Tye Band            | 10. Village of Fraser Lake |                            |



## Nechako-Kitamaat Development Fund Society Guiding Principles

COMMUNITY ECONOMIC DEVELOPMENT	NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the Fund.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from within the Nechako Region, Lakes District and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	NKDF will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.

Of the original \$15 million placed into the Northern Development Fund, \$5 million was provided to NKDF to be used as a working fund to invest in projects throughout the investment area. The remaining \$10 million of the original \$15 million was placed into a legacy fund with the goal of investing and growing the fund to \$15 million, and the income from the legacy fund is to be used to finance NKDF funding investments into the future.

Fund investments are managed by the provincial government, through the Office of the Chief Investment Officer. Monies of the Northern Development Fund—to be used in support of the programs of the NKDF Society—are in investment vehicles which are generally conservative but which also provide some opportunities for growth.

## NKDF Criteria for Economic Development Funds

The funding program supports projects that address one or more of the following key aspects of economic development in the NKDF investment area:

- **Infrastructure:** the public facilities, equipment or installations needed to support business, jobs, community stability, including items that enhance the quality of life and develop communities' ability to attract and retain residents and businesses. Examples: lighting, water, sewer, transportation, telecommunications, recreation facilities and beautification.
- **Planning and Research:** the background information a region or industry sector requires for making sound decisions about future investments. Examples: product testing, market research, needs assessments, surveys and strategic planning.
- **Human Development:** the skills training that enable people and organizations to increase employment and economic activity. Examples: workshops and courses.
- **Promotion and Brokering:** the process of building new organizations, partnerships and markets. Examples: marketing plans and joint ventures.

### Priority will be given to projects that:

- Fit in the context of long-term community economic development plans.
- Enable a community to acquire public or private investment.
- Lead to long-term jobs in the region.
- Promote economic activity and remove constraints from the business sector in the investment area, without subsidizing any individual business.
- Have community buy-in, demonstrated by support letters and donations from local government and other organizations within the local community.
- Have benefits continuing after the funding is invested and the project complete.

### Costs eligible for NKDF funding

The fund will not normally cover more than 50% of project costs.<sup>3</sup> In-kind donations are acceptable at market rates and must be verifiable and documented by written commitments from donors. Funds can be used towards:

- Contracted goods and services.
- Capital costs, materials and supplies, excluding the costs of land.
- Incremental labour (wages plus employer costs) and related costs such as supervision, travel, training and skill development.<sup>4</sup>
- Rent or lease of facilities and equipment dedicated to the project.
- Specific administrative costs to a maximum of 10% of a request.

### Ineligible projects and costs

- Funds cannot be used to subsidize or compete with private enterprise.
- Funds cannot be used to pay wages of employees doing their regular jobs.
- Funds will not be approved if funding is normally available from other sources.
- Funds cannot be used to pay GST.
- Funds cannot be used to pay for any costs incurred prior to a project's start date.

---

<sup>3</sup> Note: Ineligible costs cannot be used to leverage NKDF funds.

<sup>4</sup> Incremental costs are those expended toward completion of a project, but which would not occur if the project didn't exist.

## Applications Review and Assessment Process

The NKDF Society is governed by a volunteer board made up of members who live within the investment area, and who are appointed by the Minister of Jobs, Tourism and Skills Training. It is the board's responsibility to make decisions about funding assistance. The Manager or Board may ask outside experts for advice. The Board evaluates the program guidelines annually and makes improvements as needed. We welcome your feedback - please relay any comments you have about the program to the Society's Manager.

**Step 1:** Phone or e-mail the Manager to verify the eligibility of your project and to confirm the next deadline for the submission of proposals.

**Step 2:** Prepare your proposal using the outline on the next page. If needed, ask the Manager for assistance.

**Step 3:** Send your proposal to the Society electronically if possible, or by Canada Post or Greyhound. Please do not use couriers and do not bind the proposals. The Manager will review your application and ask for additional information until it is complete. Once your proposal is complete, the Manager will include it in the package for the next board meeting. The Manager will email or call to let you know when your application has been received. If you don't get a "received" message within an appropriate amount of time after submitting your application, please follow up with the Manager to ensure the Society has received it.

**Step 4:** The board assesses each application against the following criteria:

- Consistency with the Society's priorities (listed under "NKDF Criteria" on page 5) and completeness (outline and checklist on following pages);
- Economic and social benefits to the identified community(s) in proportion to the size of the request;
- Clearly identified contributing funds / partners / personal;
- Clearly thought out work plan, timelines and evaluation framework;
- Experience and capability of the applicant to undertake the project; and
- Clear and realistic strategies for project management.

### Once the board reaches a decision:

The Society Manager will send a letter informing applicants of the decision within five working days. If approved, the project must be under contract within 6 months and activity must be started within 12 months or the offer is void. The Manager will discuss conditions of funding with the applicant and will provide a contribution agreement to be signed by both parties. This will include a timetable for funding payments and progress reports, methods for publicly recognizing the Society for the assistance and methods for evaluating the project. Any organization that receives funding assistance from NKDF can expect a site visit or a meeting to monitor and assess the project.

### Deadlines:

There are up to four deadlines per year, with specific dates posted on the Society website at <http://nkdf.org/application/proposal-deadlines>. If proposals arrive early, the Manager may assist with revisions. If they arrive late, they will not be reviewed until the following meeting.

# FUNDING APPLICATION TEMPLATE COVER PAGE

*(Please attach this page to the front of your proposal.)*

Project Title: \_\_\_\_\_

Name of Applicant: \_\_\_\_\_

Total Project Value: \_\_\_\_\_

Total Request of NKDF: \_\_\_\_\_

Society Incorporation Number (if applicable): \_\_\_\_\_

Contact Person & Title: \_\_\_\_\_

Applicant Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Names and Addresses of other persons / groups associated with this project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## FOR OFFICIAL USE ONLY

Date Received

Complete? Y / N

Approved / Not Approved

# FUNDING APPLICATION TEMPLATE PROPOSAL OUTLINE

*(This section describes the required format of NKDF proposals.)*

Please keep in mind that project proposals should be concise, preferably less than ten pages (additional documentation can be attached). Please ensure that you complete all categories below. Missing information will delay the review process.

## Project Title

### Project Summary

Provide a clear, concise description of the project in a page or less. Include the amount of funding you are seeking from NKDF along with the total project budget less taxes.

### Project Goals

Provide a list of the project goals. Add clarification as needed.

### Organization and Background

Describe your organization, how long it's been operating, its mission, activities and accomplishments. If you have not previously applied to NKDF, please provide a copy of your organization's constitution, certificate of incorporation, and any promotional brochures. Make note of any previous investments made by your organization or others in support of the project.

### Long and Short-Term Economic and Social Benefits

Explain why the project is needed, who will benefit from it, and how it fits into the most current local or regional economic and community development strategies.

Describe how the project fits into the NKDF priorities and criteria (pages 4 and 5).

List the short and long-term economic and community stability benefits and outcomes your project is expected to generate, using the following indicators where appropriate:

- 1. Total Dollars Expended per Sector.** Infrastructure, planning and research, human development, promotion and brokering.
- 2. Leveraging Ratio.** NKDF assistance amount divided by the total project cost times 100.
- 3. Jobs Created or Retained.** Describe the number of jobs—direct, indirect, full-time, part-time, long-term, short-term—created or maintained.
- 4. Economic Activity Generated.** Describe any new sector or industry growth resulting from your project.
- 5. Social Benefits Created.** Describe any improvements to safety, recreational opportunities or the quality of life.

6. **Business Competitiveness.** Describe businesses attracted, created, or maintained, dollar value to communities, and potential results or spin-offs.
7. **Constraints Removed.** What are the constraints? Dollar estimate. Potential results and spin-offs.
8. **Community Capacity.** Describe benefits and impacts arising from human development activities.

## **Sustainability**

Clearly demonstrate how the benefits of the project will be sustained after the funds have been invested. If your project includes infrastructure, explain which organization and/or people will be responsible for ongoing operational and maintenance costs.

## **Deliverables and Work Plan**

Outline the proposed work plan for the project, including clearly defined deliverables, tasks and timeframes.

## **Partners**

NKDF can provide funding up to 50% of the pre-tax value of the project. Applicants should seek partners to share costs and include a broad range of expertise to make the project as successful as possible. Contributions may be in the form of labour, capital assets (excluding land), or funds from lending institutions, governments, businesses or individuals. Note that ineligible costs cannot be used to leverage NKDF funds.

Identify your partners and ensure that they are confirmed for the project. Describe the status of any funding partners not yet officially confirmed. Clearly describe the roles of your partners in this project, as well as their specific contributions. A reasonable financial value should be assigned to support "in kind" items.

## **Evaluation**

Include a clear evaluation plan, identifying when and how you will measure the project's results and how you will report this to the NKDF Society.

## **Recognition**

Describe how you will provide public recognition of NKDF's contribution, if approved.

## **Letters of Support**

Provide a list of organizations and individuals that have provided letters of support specifically endorsing the use of NKDF funds for the project. Attach the letters of support to your proposal

## Budget

Provide a detailed breakdown of project expenditures, clearly indicating which items NKDF monies will be used for, and which costs or services your partners will pay for. Clearly state the amount of funding you are requesting from the NKDF Society and others, and when you expect a response from other funders. Capital costs and labour contracts must be supported by estimates or quotes from suppliers.

Project Title					
Project Costs		Source (Estimate or Quote)	Funding Organizations	Confirmed	Pending
Budget item 1	\$0		Funding Agency 1	\$0	\$0
Budget item 2	\$0		Funding Agency 2	\$0	\$0
Etc.			Etc.	\$0	\$0
Subtotal (minus GST)	0			0	0
GST	0				
In-kind	\$0			\$0	\$0
<b>Total costs incl. GST</b>	<b>\$0</b>		<b>Total Funding</b>	<b>\$0</b>	<b>\$0</b>

Note: Please provide budgeted amounts for each line item above exempt of GST.

## Appendices or Attachments

Items to attach to your proposal, where appropriate.

- Society papers (Certificate of Incorporation, Board of Directors)
- Most recent financial statements (Societies only)
- Quotes, proof of confirmed funding, letters of support
- Relevant photos, maps, proof of ownership (properties)
- Supporting research or planning documents (feasibility, business plan, reports)

## PROPOSAL CHECKLIST – Is your proposal complete?

Have you clearly provided / identified:	Yes	No
1. Information on your organization, including contact information?		
2. The goals of your project?		
3. Relevance to the NKDF Society's criteria and priorities?		
4. Who will use / benefit from your project, and their needs?		
5. The potential long and short term benefits of your project?		
6. How the benefits will be sustained?		
7. A realistic work plan with timeframes and management plan?		
8. The anticipated outcomes / results?		
9. An evaluation plan, showing how you will measure your results?		
10. Who your partners are and what they will provide?		
11. Have you listed all funding options explored and the results?		
12. Have you considered and addressed all stakeholder concerns?		
13. Who is paying for what parts of the project in your budget?		
14. Quotes and estimates from suppliers supporting the budget?		
15. Evidence of community support, including letters from municipal and First Nations governments and/or businesses?		
16. How the NKDF's contribution will be publicly recognized?		