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Nechako-Kitamaat Development Fund Society

Program Guidelines 2014-2015

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 Rio Tinto Alcan's 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 Tyee 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 grant programs. 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 grant programs 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 Grants

The grant 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 and quality of life, 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.¹ In-kind donations are acceptable at market rates and must be verifiable and documented by written commitments from donors. Grants 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.²
- Rent or lease of facilities and equipment dedicated to the project.
- Specific administrative costs to a maximum of 10% of grant request.

Ineligible projects and costs

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

¹ Note: Ineligible costs cannot be used to leverage NKDF funds.

² 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 grants. 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 grant payments and progress reports, methods for publicly recognizing the Society for the grant and methods for evaluating the project. Any organization that receives a grant 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.

GRANT 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

GRANT APPLICATION TEMPLATE PROPOSAL OUTLINE

(This section describes the required format of NKDF Community Grant 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 grant 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 grant has been spent. 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
Total costs incl. GST	\$0		Total Funding	\$0	\$0

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?		