



# ABORIGINAL INITIATIVES FUND III





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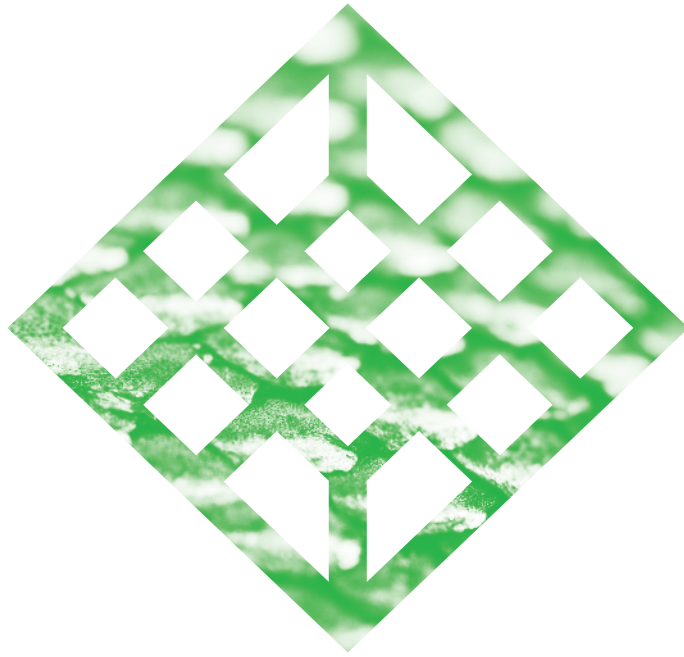
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General Application Framework



To pursue its commitment to economic and social development for Aboriginal communities, the Government of Québec has created the Aboriginal Initiatives Fund (AIF) III for a total of \$135 million over five years. The funds will be used to

- ◆ support economic development initiatives,
- ◆ invest in community infrastructure,
- ◆ issue loan guarantees to help Aboriginal project applicants fund their initiatives,
- ◆ help community organizations,
- ◆ encourage social development,
- ◆ help pay for consultations with Aboriginal communities, and
- ◆ support Aboriginal people in urban environments.

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AIF III is made up of seven different components that are managed by the Minister responsible for Native Affairs. The goal of the fund is to support the economic, social, and community development of Aboriginal people and to meet government requirements for consultation.

To this end, AIF III will financially support promising initiatives that show potential for significant positive spinoffs.

- ◆ AIF III funding is in addition to other types of support from both the provincial and federal governments. It is important to note that AIF III is intended to supplement other government aid and thus allow Aboriginal people to complete their projects.
- ◆ AIF III will not fund projects that interfere with or duplicate existing responsibilities, programs, or services.

- ◆ The first source of funding for projects submitted to AIF III must be existing programs offered by the federal government and Québec ministries and government agencies.
- ◆ AIF III will only fund projects that cannot be supported by other programs and, as applicable, projects that need additional support beyond what is available through existing programs.

Therefore, for AIF III aid to be approved, in general the project must be funded jointly by the community, project applicant, federal government, or other partner.

The applicant must demonstrate financial need and submit all required documentation to Secrétariat aux affaires autochtones (SAA) and, as the case may be, to the relevant Aboriginal authorities.

Lastly, to be eligible for AIF III funding, expenses must be incurred after the date on which the application for financial aid is submitted. The Minister responsible for Native Affairs will not approve projects until a financial plan has been drawn up. Such plans should include funding from the federal government, if applicable.

### Project selection

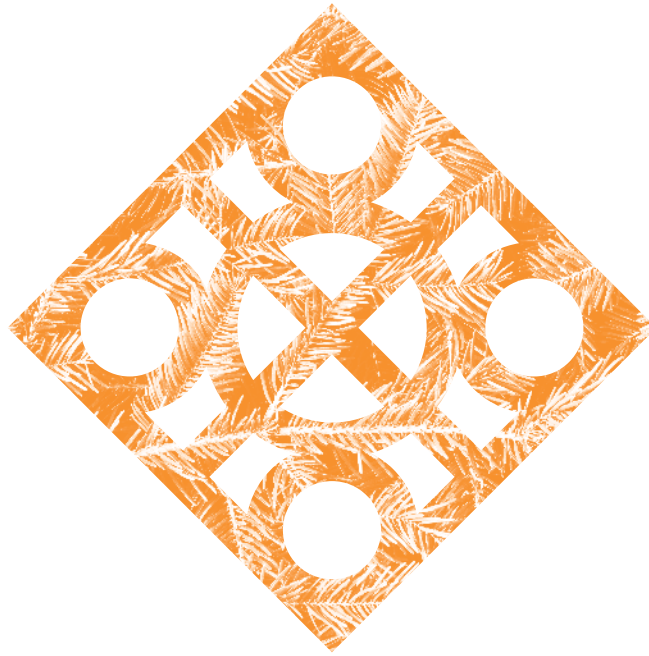
Projects are selected as follows:

- ◆ Applications for funding are submitted.
- ◆ SAA reviews the applications.
- ◆ As necessary, applications are sent to the relevant ministries and government agencies for review in terms of suitability, feasibility, and funding.
- ◆ SAA makes recommendations.
- ◆ Acceptance or rejection letters are mailed to applicants.
- ◆ If a project is approved, an acceptance letter is sent and/or a funding agreement is signed with the project applicant.

### Program term

AIF III comes into effect on the date it is approved and ends on March 31, 2022.





Economic Development



Under the economic development component of AIF III, \$60 million is available for the Aboriginal nations and communities targeted by the program. The objectives of this component are to

- ◆ create an environment that fosters economic development,
- ◆ create and develop businesses,
- ◆ create and protect jobs,
- ◆ generate investment in Aboriginal communities,
- ◆ promote entrepreneurship among women and young people, and
- ◆ encourage the development of social economy businesses.



## A. GENERAL TERMS AND CONDITIONS

To be eligible for the economic development component, a nation or community must

- ◆ sign a special agreement with the Minister responsible for Native Affairs during the term of AIF III (after the fund is approved and before April 1, 2022) in which the nation or community undertakes to submit economic development projects (regardless of the date on which such an agreement is signed, it will end on March 31, 2022), and
- ◆ not have signed an agreement with the Government of Québec allowing the provincial government to fund economic development projects, unless such an agreement specifies that it will not be detrimental to the renewal of AIF III funding.

For communities that have not used up the economic development budget allocated to them under the second Aboriginal Initiatives Fund (AIF II), any remaining

amounts will be automatically rolled over to the new special agreement. The special agreement signed under AIF II will then be cancelled and the remaining funds will be subject to the rules herein. All projects submitted but not reviewed under AIF II can remain subject to AIF II or be transferred to the new special agreement for review.

## B. ELIGIBLE ORGANIZATIONS

- ◆ Aboriginal communities and nations recognized by the Québec National Assembly
- ◆ Aboriginal nonprofit organizations or equivalent
- ◆ Aboriginal for-profit organizations or equivalent

## C. ELIGIBLE PROJECTS

To be eligible for funds earmarked for nations and communities, economic development projects must

- ◆ be consistent with the objectives for this component of the fund, and
- ◆ be given priority by the nation or community, by resolution, and
- ◆ be submitted to the SAA by March 31, 2022.

Applications for funds reserved for social economy projects, young entrepreneurs, women, and mobilization projects, must

- ◆ be consistent with the objectives for this component of the fund, and
- ◆ be submitted to the SAA by March 31, 2022.

Eligible projects must fall under one of the following six categories:



## Entrepreneurship

This category is for the launch, expansion, or development of a business. The project must also meet one or more of the following requirements:

- ◆ Be beneficial for the Aboriginal population
- ◆ Create jobs for Aboriginal people
- ◆ Be economically and socially sustainable
- ◆ Raise the profile of the Aboriginal nation or community and the Aboriginal population in general

## Studies

This category is for studies that must be carried out before a project eligible for the economic development component can be put in place. This may include

- ◆ a business plan,
- ◆ a technical or financial feasibility study,
- ◆ a market analysis for an investment project, and
- ◆ studies on the integrated management of resources and traditional Aboriginal pursuits.

Studies may not exceed 10% of the total budget for economic development in the nation or community.

## Aid for local economic development

This category is for projects that help the nation or community better plan its own economic development. More specifically, such projects must seek to

- ◆ help communities draw up a strategic economic development plan,
- ◆ identify, showcase, and improve access to local resources, and

- ◆ recruit and train local economic development agents in Aboriginal communities.

Financial assistance for local economic development may not exceed 30% of the portion of the economic development budget earmarked for the nation or community.

## Workforce training

This category is for the development of the Aboriginal workforce, with a special emphasis on vocational training. Refresher workplace training required for the launch, expansion or development of a business project under this component of the program may be eligible as long as the trainee is an Aboriginal person.

Moreover, project applicants must ask local First Nation centers and local employment centers to be partners, pursuant to the respective responsibilities of such centers. The AIF III general application framework specifies that the program is intended to supplement other measures.

## Social economy

This category is for projects submitted by nonprofit organizations active in the social economy. Under this program \$2 million has been set aside for social economy projects developed by eligible businesses and organizations located in Aboriginal communities or elsewhere. There is a limit of \$200,000 per project.

Social economy businesses sell products and services in up-and-coming industries that are just as diverse as the sectors of the economy covered by traditional businesses. The mission of "social" collective businesses is to sell goods and services that meet the needs of the community. They operate like a business but have a social purpose.



The social economy includes two types of businesses defined by their legal status:

1. Cooperative and mutualist companies, made up of cooperatives formed under the *Cooperatives Act* or the *Act respecting Financial Services Cooperatives* and mutual associations formed under the *Insurance Act*, and
2. Associations including nonprofit organizations, formed under Section III of the *Companies Act* and whose financial viability is based on own-source revenue generated by producing and selling goods and services.

The operating rules and principles of social economy businesses define them in a particular way. They must



- ◆ have a mission of serving their members or the community rather than simply generating profit and targeting a financial return,
- ◆ be managed independently of the government,
- ◆ incorporate in their by-laws and procedures a democratic decision-making process that includes their customers,
- ◆ prioritize people and work over capital when sharing their surpluses and revenue, and
- ◆ base their operations on the principles of participation, empowerment, and individual and collective responsibility.

Nonprofits whose mission is not mainly entrepreneurial, such as community organizations, charities, economic development corporations, municipal agencies, and so on, are not social economy companies. However, these organizations can devise social economy projects that meet the criteria above, for reasons that include generating own-source revenue. Moreover, Aboriginal nonprofits in Aboriginal communities may also be eligible as long as the goals of their social economy projects include generating own-source revenue.

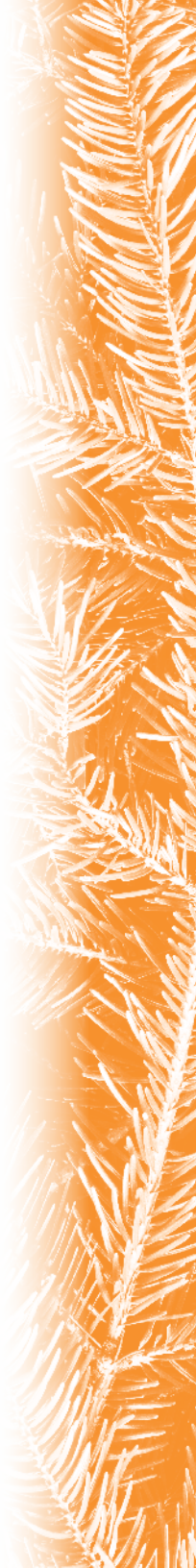
### Economic mobilization

Projects in this category must have a mobilizing effect on the overall economy of Aboriginal communities. They must also be submitted by Aboriginal nonprofit organization and have garnered consensus among the Aboriginal nations concerned.

## D. SUBMITTING APPLICATIONS

Project applicants must demonstrate their financial needs and submit to the SAA a business plan that includes the following information:

- ◆ An explanation of financial need and the benefit of using this component of the program to carry out the project
- ◆ The project location and targeted clientele
- ◆ The project timeline
- ◆ A breakdown of the project's expenses and funding, including details of other sources of funding
- ◆ A description of the applicants' relevant skills and experience
- ◆ How the project will be beneficial
- ◆ What has been done to check whether the project is eligible for other funding programs
- ◆ The estimated operating budget for the next three years
- ◆ The latest financial statements, if applicable



## E. ELIGIBLE COSTS

In general, eligible costs are limited to capital expenditures, as defined in generally accepted accounting principles. Operating expenses, the repayment of debt or deficits, and working capital are not eligible costs.

Some exceptions can be made in the following situations:

- ◆ For study, workforce training, and mobilization projects, all costs are eligible
- ◆ For local economic development aid and social economy projects, all costs are eligible for a maximum of five years

In the case of business acquisitions or acquisitions of interest in existing companies, the costs incurred are eligible if they have a direct and significant impact on the creation of jobs for Aboriginal people. The job creation aspect will be assessed according to the payroll or expected payroll to be paid by the eligible company or organization for all jobs held by Aboriginal people and created or secured through the project.

## F. CONSTRUCTION PROJECTS

### Special condition for infrastructure projects outside Aboriginal communities

To be eligible for funding for infrastructure outside an Aboriginal community, the organization must meet at least one of the following conditions:

- ◆ Hold the title to the infrastructure
- ◆ Be in the process of purchasing the infrastructure and provide official written proof
- ◆ Hold or be in the process of obtaining a lease or emphyteutic lease that is or will be in force for at least five years after construction is complete

### Requirement to seek bids

For eligible projects that require \$100,000 or more in construction work, pursuant to the *Act respecting Contracting by Public Bodies* the organization is not required to hold a public call for tenders to award the contract. However, the eligible organization must meet the following minimum requirements for awarding a \$100,000 to \$1 million construction contract:

- ◆ Hold a publicly announced open call for tenders, or
- ◆ Invite at least three contractors to submit bids.<sup>1</sup>

For construction work over \$1 million, the eligible organization must, at a minimum, hold a publicly announced open call for tenders. These types of calls for tenders are usually posted in newspapers, displayed in the local offices of construction associations, and/or announced via a public electronic service. Such calls for bids must allow all competent and interested contractors to bid on the contract. The announcements or public notices must be distributed widely enough to reach an adequate number of competent and interested contractors, resulting in a competitive bidding process.

For all calls for construction bids, whether announced publicly or by invitation only,

- ◆ the deadline for bids must be at least two weeks after the calls are posted, and
- ◆ bids can only be requested and contracts awarded
  - ◆ at a flat rate, or
  - ◆ based on a unit price.

<sup>1</sup>. These may be Aboriginal contractors.



## G. FINANCIAL ASSISTANCE

### General category

Financial assistance is given as a grant. The maximum grant is determined according to the financial needs of the applicant and the aid given by the federal government and Québec ministries and government.

Aid granted by the Government of Québec and its agencies cannot exceed 50% of eligible expenses, and the total aid from the federal and provincial governments cannot exceed 90% of the project's total cost, with one exception.

In order to encourage partnerships between Aboriginal and non-Aboriginal people, any business formed by such a partnership will be 100% eligible for the program, under the condition that the Aboriginal applicant retain effective control and owns at least 50% of the company. If the Aboriginal developer is not the majority owner of the company, the financial aid that can be awarded for the project will match the proportion of the company under Aboriginal ownership.

### Special category

To make funding more accessible for Aboriginal women and youth, a special category totaling \$2.55 million has been put in place. The SAA has increased the combined financial assistance awarded by the Government of Québec and its agencies to 70% of eligible expenses for projects carried out by Aboriginal women and youth. Similarly, the combined assistance granted by the federal and provincial governments has been raised to 95% of the total costs of such projects. Only young Aboriginal people aged 35 or under and Aboriginal women of all ages may benefit from this special funding category.

Companies for which over 50% of effective control and ownership are held by young Aboriginal entrepreneurs age 35 or under or female Aboriginal entrepreneurs of all ages are fully eligible.

## H. PROJECT ASSESSMENT CRITERIA

Economic development projects submitted by Aboriginal communities must have significant and far-reaching effects on the socio-economic circumstances of the nation or community and meet the stated needs and priorities. Projects are deemed to have such effects if they have one of the following characteristics:

- ◆ They trigger or stimulate economic development.
- ◆ They foster the creation and protection of jobs for Aboriginal people.
- ◆ They foster the creation and development of Aboriginal businesses.

In general, projects are assessed according to the following criteria:

- ◆ Consistency with the program objectives and principles:
  - ◆ Eligibility in accordance with the terms and conditions
  - ◆ Compatibility of the objectives with the objectives for this component
- ◆ Technical feasibility of the project:
  - ◆ Expertise in the technical components
  - ◆ Realistic schedule
- ◆ Financial feasibility of the project:
  - ◆ Detailed financial plan
  - ◆ Reliable, consistent, and realistic budget forecasts
  - ◆ Profitability

- ◆ Quality of the organization:
  - ◆ Relevance of the applicants' skills and experience to the project
  - ◆ Outside experts selected with care, if applicable
- ◆ Thorough market analysis, including knowledge of the target clientele's needs
- ◆ Results achieved from the funds requested:
  - ◆ Number of jobs created or secured
  - ◆ Investment generated
  - ◆ Contribution to local and regional economic development
  - ◆ Economic and social sustainability
  - ◆ Far-reaching effects for Aboriginal people

## I. REPORTING AND PAYMENT METHODS

Reporting must comply with the provisions of the financial agreement entered into for the project and must include

- ◆ a full report on all activities carried out, and
- ◆ a description of the results achieved in terms of the objectives.

Reporting must include a financial report showing how the grant was used, along with supporting documents. The organization must at all times keep separate accounts for project expenses, in accordance with generally accepted accounting principles.

The agreement specifies the activities, payment conditions, and undertakings made by each party.





Loan Guarantees



A loan guarantee budget totaling \$4 million is earmarked for Aboriginal people in Québec. The objectives are to

- ◆ create an environment that fosters economic development,
- ◆ allow Aboriginal organizations to access conventional sources of funding and benefit from competitive interest rates,
- ◆ create and develop businesses, and
- ◆ create and protect jobs.

## A. ELIGIBLE ORGANIZATIONS

- ◆ Aboriginal communities and nations recognized by the Québec National Assembly
- ◆ Aboriginal nonprofit organizations or equivalent
- ◆ Aboriginal for-profit organizations or equivalent

## B. ELIGIBLE PROJECTS

All projects that aim to create, expand, revive, or develop a qualifying business or organization are eligible.

To be eligible for a loan guarantee, projects must meet the objectives of this component and be submitted no later than March 31, 2022.

## C. SUBMITTING APPLICATIONS

Project applicants must demonstrate their financial needs and submit to the SAA a business plan that includes the following information:

- ◆ An explanation of financial need and the benefit of using this component to carry out the project
- ◆ The project location and targeted clientele
- ◆ A breakdown of the project's expenses and funding, including details on other sources of funding
- ◆ A description of the applicants' relevant skills and experience
- ◆ How the project will be beneficial
- ◆ What has been done to check whether the project is eligible for other funding programs
- ◆ The three-year estimated operating budget
- ◆ The latest financial statements, if applicable

## D. ELIGIBLE COSTS

Expenses that are justified and directly related to the project are eligible, including:

- ◆ Capital expenditures
- ◆ Working capital expenditures
- ◆ Expenditures for the purchase of software and equipment (including rolling stock)
- ◆ Expenditures for the consolidation of prior debt when developing or reviving a business

Expenditures for business acquisitions or acquisitions of interest in existing companies will be eligible if it has a direct and significant impact on the creation or protection of jobs for Aboriginal people. The job creation aspect will be assessed according to the payroll or expected payroll to be paid by the eligible company or organization for all jobs held by Aboriginal people and created or secured through the project.

For projects that require a line of credit guarantee (revolving credit), only expenditures on working capital that is essential for the project is eligible.

## E. INELIGIBLE COSTS

Expenditures related to servicing debt or capital losses are not eligible.

## F. CONSTRUCTION PROJECTS

### Special condition for infrastructure projects outside Aboriginal communities

To be eligible for funding for infrastructure outside an Aboriginal community, the organization must meet at least one of the following conditions:

- ◆ Hold the title to the infrastructure
- ◆ Be in the process of purchasing the infrastructure and provide official written proof
- ◆ Hold or be in the process of obtaining a lease or emphyteutic lease that is or will be in force for at least five years after construction is complete

### Requirement to seek bids

For eligible projects that require \$100,000 or more in construction work, pursuant to the *Act respecting Contracting by Public Bodies* the eligible organization is not required to hold a public call for tenders to award the contract.

However, the eligible organization must meet the following minimum requirements for awarding a \$100,000 to \$1 million construction contract:

- ◆ Hold a publicly announced open call for tenders, or
- ◆ Invite at least three contractors to submit bids.<sup>2</sup>

For construction work over \$1 million, the eligible organization must, at a minimum, hold a publicly announced open call for tenders. These types of calls for tenders are usually posted in newspapers, displayed in the local offices of construction associations, and/or announced via a public electronic service. Such calls for bids must allow all competent and interested contractors to bid on the contract. The announcements or public notices must be distributed widely enough to reach an adequate number of competent and interested contractors, resulting in a competitive bidding process.

For all calls for construction bids, whether announced publicly or by invitation only,

- ◆ the deadline for bids must be at least two weeks after the calls are posted, and
- ◆ bids can only be requested and contracts awarded
  - ◆ at a flat rate, or
  - ◆ based on unit price.

<sup>2</sup> These may be Aboriginal contractors.



## G. PROJECT ASSESSMENT CRITERIA

In general, projects are assessed according to the following criteria:

- ◆ Consistency with the program objectives and principles:
  - ◆ Eligibility in accordance with the terms and conditions
  - ◆ Compatibility of the objectives with the objectives for this component
- ◆ Technical feasibility of the project:
  - ◆ Expertise in the technical components
  - ◆ Realistic schedule
- ◆ Financial feasibility of the project:
  - ◆ Detailed financial plan
  - ◆ Solvency of the applicant and partners and the amount of their down payment
  - ◆ Reliable, consistent, and realistic budget forecasts
- ◆ Quality of the organization:
  - ◆ Relevance of the applicants' skills and experience to the project
  - ◆ Outside experts selected with care, if applicable
- ◆ Thorough market analysis, including knowledge of the target clientele's needs
- ◆ Results achieved from the funds requested:
  - ◆ Number of jobs created or secured
  - ◆ Investment generated
  - ◆ Contribution to local and regional economic development
  - ◆ Economic and social sustainability
  - ◆ Far-reaching effects for Aboriginal people

## H. HOW FINANCIAL ASSISTANCE IS DETERMINED

Financial assistance is given in the form of a loan guarantee to support economic development initiatives.

The Government of Québec can guarantee a loan for 50% of the project's eligible costs, up to \$150,000.

An exception can be made for large-scale projects that have a significant driver effect for a community or nation.

The loan guarantee will be in force for up to five years. After that, the project applicant can obtain a grant for up to 5% of the guarantee, up to a maximum of \$5,000, if certain conditions specified in the loan guarantee agreement are met.

In order to encourage partnerships between Aboriginal and non-Aboriginal people, any organization or business formed by such a partnership will be 100% eligible for the program, under the condition that the Aboriginal applicant retain effective control and own at least 50%, in the case of a company.

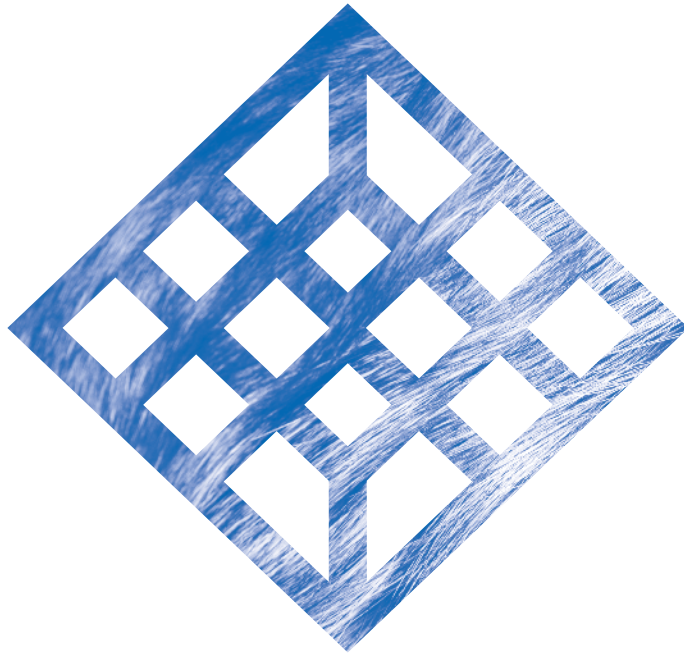
If an Aboriginal applicant owns less than 50%, the ownership percentage will be used to determine the amount of financial aid granted for the project.

For the purpose of calculating the financial contribution made by the Government of Québec or its agencies, loan guarantees will be assessed at 3% of the amount guaranteed.

## I. PROCEDURES AND REPORTING

When a project is approved, a loan guarantee agreement will be drawn up between the eligible organization and the Government of Québec. The agreement defines the project, the terms of the loan guarantee, and the parties' obligations. It also provides for a reporting procedure.





Community Infrastructure



A community infrastructure in communities budget totaling \$28 million over five years is earmarked for Aboriginal people. Of this amount, \$1 million is set aside to allow Aboriginal community action organizations, located in communities, to obtain the infrastructure they need to get started. The objectives are

- ◆ to renovate and upgrade community infrastructure so as to improve the well-being and living conditions of Aboriginal populations,
- ◆ support the social and community development of Aboriginal people, and
- ◆ foster the development of Aboriginal community action organizations located in communities.

reviewed under AIF II can remain subject to AIF II or be transferred to the new special agreement for review.

## B. ELIGIBLE ORGANIZATIONS

- ◆ Aboriginal communities and nations recognized by the Québec National Assembly
- ◆ Aboriginal nonprofit organizations or equivalent
- ◆ Aboriginal community action organizations in the startup phase, located in communities

## C. ELIGIBLE PROJECTS

Eligible nations, communities, and organizations must submit their community infrastructure projects no later than March 31, 2022.

All projects must meet the following criteria:

- ◆ Be justified and beneficial for the well-being of the Aboriginal population
- ◆ Be given priority by the nation or community, by resolution<sup>3</sup>
- ◆ Be undertaken by an eligible nation, community, or organization that has the financial capacity to meet operating and upkeep expenses, if applicable

### Studies

This category is for studies that must be carried out before a project eligible for this component can be put in place. Such studies may include a technical or financial feasibility assessment.

3. Does not apply to community action organizations on reserves, except for land or infrastructure use in construction projects.

## A. GENERAL TERMS AND CONDITIONS

To be eligible for this component, a nation or community must

- ◆ have signed a special agreement with the Minister responsible for Native Affairs, undertaking to submit economic development projects; and
- ◆ have already received no more than \$1 million in financial assistance under this component for the same community.

For communities that can still use the community infrastructure budget of the second AIF, a provision to this effect will be included in the new special agreement under AIF III. The special agreement signed under AIF II will then be cancelled and all funds available for community infrastructure will be subject to the rules herein. Funding granted under AIF III may come from AIF II (if the community is eligible and funds are still available) or AIF III, as the case may be. All projects submitted but not

The portion of this component allocated under the Studies category cannot exceed \$100,000 per community.

### Eligible infrastructure

Projects in the social services, recreation, sports, culture, communication, tourism, and information technology sectors are eligible. This includes

- ◆ daycare centers;
- ◆ recreation and sports facilities;
- ◆ tourist offices, administrative offices, and recreation, fitness, or community centers;
- ◆ non-residential developments (e.g., earthworks, recreation and community parks, playgrounds, walking trails, beaches, sanitary landfills, camp sites, riverbank stabilization projects);
- ◆ communication and cultural facilities for community use;
- ◆ the development of heritage sites;
- ◆ youth centers;
- ◆ family centers;
- ◆ halfway houses and temporary accommodation;
- ◆ community freezers; and
- ◆ community spaces.

### Ineligible infrastructure

This component cannot be used to fund projects on reserves in sectors that are clearly the responsibility of the federal government, namely,

- ◆ equipment for collecting, purifying, storing, and distributing potable water, including water for fire protection;
- ◆ wastewater and rainwater drainage and inspection equipment;

- ◆ roads, streets, sidewalks, bridges, viaducts, tunnels, retaining walls, and sound abatement walls;
- ◆ schools;
- ◆ hospitals and health centers;
- ◆ airports and docks;
- ◆ penitentiaries, police stations, fire stations, and prisons; and
- ◆ public security and justice facilities (places where justice is exercised).

## D. SUBMITTING APPLICATIONS

Project applicants must demonstrate their financial needs and submit to the SAA an application for funds that includes the following information:

- ◆ An explanation of financial need and the benefit of using this component to carry out the project
- ◆ The project location
- ◆ A breakdown of the project's expenses and funding, including details of other sources of funding
- ◆ How the project will be beneficial
- ◆ What has been done to check whether the project is eligible for other funding programs
- ◆ The three-year estimated operating budget



## E. ELIGIBLE AND INELIGIBLE COSTS

In general, all costs required to carry out the project are eligible, including capital expenditures as defined in generally accepted accounting principles, as well as all costs incurred. Eligible expenditures include

- ◆ costs associated with services contracts for eligible work;
- ◆ incidental expenses, including professional fees, and short-term financing costs;
- ◆ expenditures on community equipment required for the project; and
- ◆ expenses associated with new information technology, such as computer equipment, software and software packages, and related training.

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For projects that are studies, all costs are eligible. Management costs are also eligible if the nation, community, or organization hires additional staff to carry out the work.

Land purchase costs and expenses associated with everyday upkeep for infrastructure are not eligible. The cost of upgrading computer systems is not eligible.

## F. CONSTRUCTION PROJECTS

Work eligible for funding includes

- ◆ remodeling, repairs, reconstruction, or replacement; and
- ◆ additions to or the construction of new infrastructure.

For eligible projects that aim to launch community action organizations located in communities, the requesting

organization must obtain the approval of the band council or northern village before using the land or infrastructure in question.

### Special condition for infrastructure projects outside Aboriginal communities

For construction projects involving infrastructure outside an Aboriginal community, the eligible organization must meet at least one of the following conditions:

- ◆ Hold the title to the infrastructure
- ◆ Be in the process of purchasing the infrastructure and provide official written proof
- ◆ Hold or be in the process of obtaining a lease or emphyteutic lease that is or will be in force for at least five years after construction is complete

### Requirement to seek bids

For eligible projects that require \$100,000 or more in construction work, pursuant to the *Act respecting Contracting by Public Bodies* the eligible organization is not required to hold a public call for tenders to award the contract.

However, the eligible organization must meet the following minimum requirements for awarding a \$100,000 to \$1 million construction contract:

- ◆ Hold a publicly announced open call for tenders, or
- ◆ Invite at least three contractors to submit bids.<sup>4</sup>

For construction work over \$1 million, the eligible organization must, at a minimum, hold a publicly announced open call for tenders. These types of calls for tenders are usually posted in newspapers, displayed in the local offices of construction associations, and/or announced via a public electronic service. Such calls for

4. These may be Aboriginal contractors.

bids must allow all competent and interested contractors to bid on the contract. The announcements or public notices must be distributed widely enough to reach an adequate number of competent and interested contractors, resulting in a competitive bidding process.

For all calls for construction bids, whether announced publicly or by invitation only,

- ◆ the deadline for bids must be at least two weeks after the calls are posted, and
- ◆ bids can only be requested and contracts awarded
  - ◆ at a flat rate, or
  - ◆ based on a unit price.

## G. FINANCIAL ASSISTANCE

The financial assistance granted by the Government of Québec to a nation, community, or organization cannot exceed 50% of the total cost of all eligible work and purchases, with one exception.

For infrastructure projects undertaken by community action organizations located in communities, the Government of Québec can grant financial assistance up to 100% of eligible costs.

## H. PROJECT ASSESSMENT CRITERIA

Projects submitted by Aboriginal communities must have significant and far-reaching effects on the socio-economic circumstances of the nation or community and meet the stated needs and priorities. Projects are deemed to have such effects if they have the following characteristics:

- ◆ They are deemed important, beneficial, and of interest to the community or nation
- ◆ The nation, community, or organization has the financial capacity to meet operating and upkeep expenses, if applicable
- ◆ They are justified (deterioration, obsolescence, insufficient capacity for the current population, work carried out to meet standards and regulations, etc.)
- ◆ They are realistic in terms of technical feasibility and the completion schedule

## I. TRACKING AND REPORTING

In general, the project must be completed within two years of the financial agreement being signed.

Reporting must comply with the provisions of the financial agreement entered into for the project and must include

- ◆ a project completion certificate to show that the work specified in the agreement is compliant and complete, approved by a resolution issued by the band council or, in the case of a community action organization, the board of directors; and
- ◆ a financial report including an income and expenditure statement for the project, approved by a resolution issued by the band council, northern village, or the board of directors of a community action organization.

The organization must at all times keep separate accounts for project expenses, in accordance with generally accepted accounting principles.



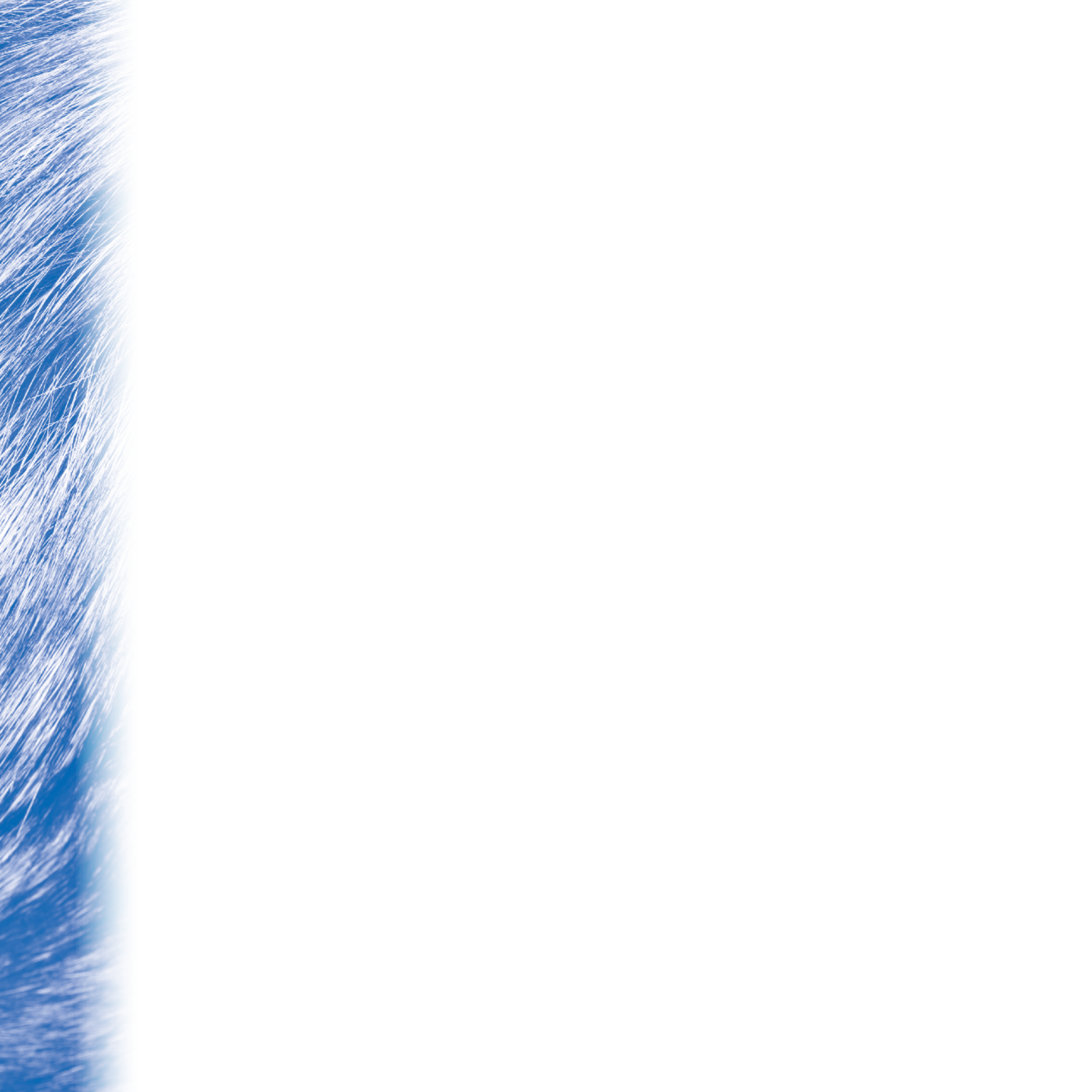
## J. PAYMENT METHODS

For amounts over \$100,000, the funds will be used to service the debt. The SAA will reimburse the capital, interest payments, and costs of long-term loans taken out by organizations with the institution of their choice to fund their project.

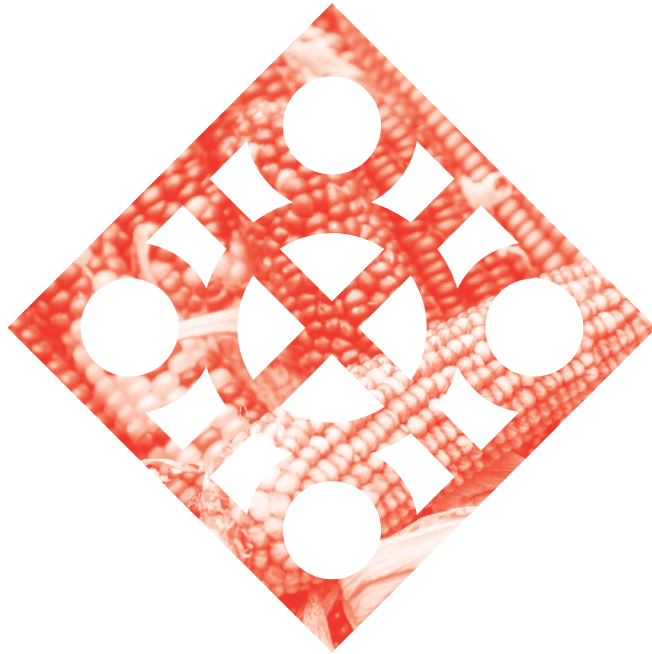
When financial assistance is paid in the form of reimbursement for debt service, it must be paid within

- ◆ three to five years for amounts of \$500,000 or less, or
- ◆ five and fifteen years for amounts over \$500,000.

All capital expenditures for community infrastructure is amortized and funded according to service life, i.e., according to the same rules that apply to similar infrastructure funded by the Government of Québec in non-Aboriginal territories.







Community Action



A budget of \$11 million over five years is earmarked for community action organizations that provide services for an Aboriginal clientele in and outside communities. The funds provide financial support for the overall mission of these organizations. Of this amount, \$1.25 million is set aside for Aboriginal women's organizations and \$1 million to help launch Aboriginal community action organizations located in communities. This component is part of the government policy on the recognition and support of community action. The general objectives are to

- ◆ help improve the socio-economic conditions of Aboriginal people,
- ◆ support the introduction of services for Aboriginal people,
- ◆ recognize and promote the work of community organizations that provide services for an Aboriginal clientele, and
- ◆ foster the development of Aboriginal community action organizations located in Québec communities.

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## A. FINANCIAL ASSISTANCE OBJECTIVES

The purpose of the Community Action component is to offer financial support for community action organizations that provide services to an Aboriginal clientele in and outside communities and whose overall mission is consistent with the following:

- ◆ Improved living conditions
- ◆ Promotion of healthy life habits
- ◆ Development of Aboriginal cultures and better relations between Aboriginal and non-Aboriginal people
- ◆ The fight against racism and discrimination
- ◆ Public education and the promotion of citizen engagement

- ◆ Skills development
- ◆ Collaboration on issues specific to Aboriginal development

## B. ELIGIBLE ORGANIZATIONS

To be eligible, projects must meet the objectives of this component, be submitted to the SAA no later than October 1, 2021, and be completed no later than March 31, 2022.

### Outside communities

To be eligible for SAA funding, community action organizations that provide services for a mainly Aboriginal clientele in urban environments must show that their overall mission includes the activities listed in Section A.

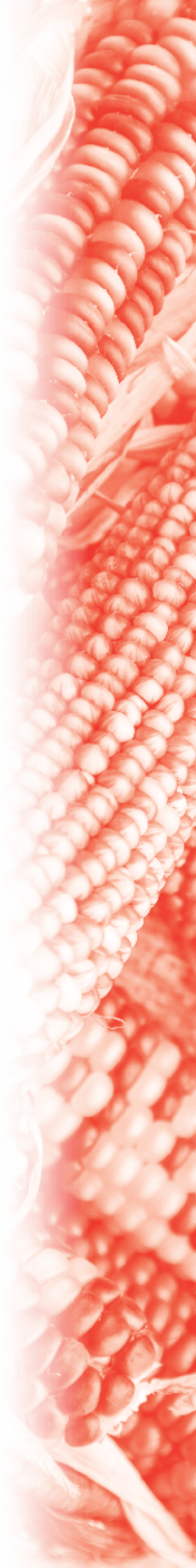
Moreover, organizations must also have the following characteristics:

- ◆ Nonprofits
- ◆ Rooted in the Aboriginal environment
- ◆ Associative and democratic
- ◆ Free to determine their mission, approaches, practices, and policies
- ◆ Governed by a board of directors
- ◆ Headquartered in Québec (outside a community or in an urban environment)

### Within communities

To be eligible for SAA funding, community action organizations that provide services for a mainly Aboriginal clientele within communities must be in the startup phase<sup>5</sup> and show that their overall mission includes the activities listed in Section A.

5. A community action organization created under AIF III is deemed to be "in the startup phase" for the duration of the program.



Moreover, organizations must also have the following characteristics:

- ◆ Nonprofits
- ◆ Headquartered in an Aboriginal community or northern village
- ◆ Associative and democratic
- ◆ Free to determine their mission, approaches, practices, and policies
- ◆ Governed by a board of directors independent of the band or municipal council
- ◆ Their overall mission must pay specific heed to the Aboriginal community

## C. SUBMITTING APPLICATIONS

All applicants must provide the following information:

- ◆ Proof of legal status
- ◆ A board of directors resolution supporting the application for funding
- ◆ A description of the organization's overall mission, including
  - ◆ the target population;
  - ◆ the needs met by the organization and the resources used;
  - ◆ the scope of the mission, the number of employees, and a description of their roles and job categories;
  - ◆ an annual or multiyear, as applicable, plan of activities to achieve the mission; and
  - ◆ the expected outcomes.
- ◆ A financing arrangement showing
  - ◆ financial need, and
  - ◆ the expected sources of funds.
- ◆ A detailed annual or multiyear budget for achieving the mission
- ◆ Bylaws and letters patent
- ◆ Most recent financial and activity reports, if the organization is currently operating

## D. APPLICATION ASSESSMENT CRITERIA

When reviewing applications, the SAA checks that the organization has submitted a complete package as specified in Section C. Financial assistance applications are assessed according to a number of criteria, such as

- ◆ compliance with the component's objectives and eligibility rules;
- ◆ the suitability and quality of the organization's action plan relative to its mission;
- ◆ the size of the organization, territory covered, and scope of its mission;
- ◆ the remoteness factor and the cost of living;
- ◆ the organization's management capability and the appropriateness of the organizational structure;
- ◆ the organization's interaction in its environment and the diversification of its financing sources; and
- ◆ the organization's financial situation, including its debt ratio and unrestricted net assets.

As necessary, applications may be sent to the relevant ministries and government agencies for review in terms of suitability, feasibility, and funding.



## E. ELIGIBLE EXPENSES

Eligible expenditures includes

- ◆ employee costs associated with the organization's basic operation,
- ◆ costs associated with achieving the organization's overall mission,
- ◆ costs associated with preparing and producing financial documents and other reports required to comply with the financial agreement signed with the SAA,
- ◆ eligible general costs associated with
  - ◆ use of a building,
  - ◆ office equipment,
  - ◆ technology infrastructure,
  - ◆ infrastructure upkeep,
  - ◆ other expenses deemed reasonable,\*
  - ◆ equipment deemed a priority.\*

\* The SAA must approve these costs in advance.

## F. INELIGIBLE EXPENSES

Expenditures to erase an existing deficit and expenditures on the purchase and renovation of buildings and spaces are not eligible. Land purchases are not eligible.

## G. HOW FINANCIAL ASSISTANCE IS DETERMINED

The financial assistance granted will be in the form of a non-repayable contribution to support the organization in achieving its overall mission.

## H. TRACKING AND REPORTING

Grants are to be formalized in a financial agreement not to exceed five government fiscal years. The agreement must include

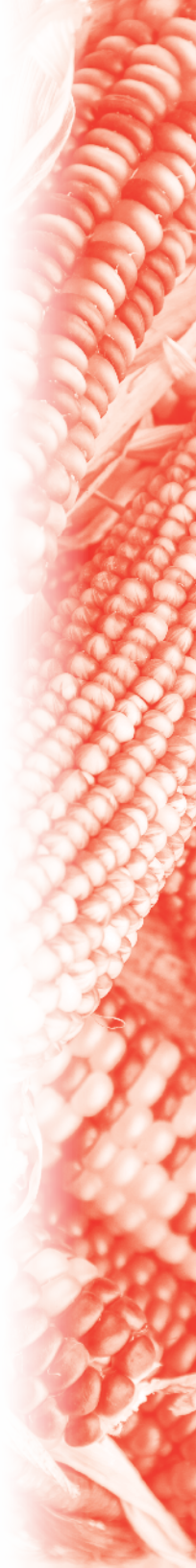
- ◆ the obligations of the signatories, and
- ◆ a detailed description of the project and the objectives relevant to the funding.

Each organization must provide, at a minimum, an annual report in accordance with the provisions in the financial agreement. The document must include

- ◆ a full report on all activities carried out, and
- ◆ a description of the results achieved in relation to the objectives.

It must be accompanied by the organization's financial statements and a financial report documenting how the funds were used. These reports must specify, in detail, the source and amount of each grant received from public funds.

- ◆ If the annual total of SAA grants is less than \$60,000, the financial statements can be prepared by the organization and adopted by a board of directors resolution.
- ◆ If the annual total of SAA grants is between \$60,000 and \$100,000, the financial statements must, at a minimum, be in the form of a "review engagement" and the "review engagement report" must be prepared by a professional accountant.
- ◆ If the annual total of SAA grants is more than \$100,000, the financial statements must be in the form of an "audit engagement" and the "independent auditor's report" must be verified by a chartered professional accountant.



The organization must at all times keep separate accounts for expenditures associated with achieving its general mission, in accordance with generally accepted accounting principles.

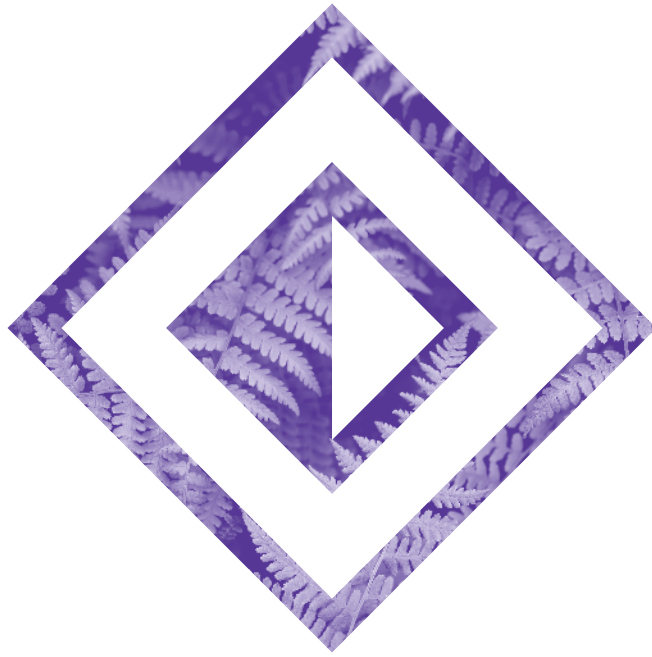
The agreement also sets out the payment conditions for the funds and the parties' obligations.

## I. TEMPORARY TRANSITION MEASURE 2017-2018

The SAA is implementing a temporary measure to provide a transition period for organizations that received financial support in 2016-2017 under AIF II and are still eligible for funds in 2017-2018 under AIF III.

An advance can be paid out after an initial review to confirm the applicant's eligibility and check that the application for funds is complete, as specified in Section C.





Support for Consultation



A budget of \$20 million over five years is earmarked for nations and communities that plan to participate in the consultation and cooperation processes initiated by the Government of Québec. The objectives of this component are to

- ◆ make it easier for the Government of Québec to fulfill its constitutional obligation to consult Aboriginal communities
- ◆ develop and maintain smooth relationships with Aboriginal people in Québec.

## A. DESCRIPTION OF HOW FUNDING CAN BE USED

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To best meet the needs of Aboriginal nations and communities, this component has been divided into two categories.

- ◆ Funding for consultations – Category I
- ◆ Funding for specific projects – Category II

To deal with the broad range of topics and many consultations initiated by the Government of Québec, the first category targets a financing approach based on creating consultation offices. The objective of such offices is to give communities specific resources for taking part in these government consultations. The amount of the funding is determined by the SAA in cooperation with the relevant ministries, taking into account the amount of work expected for a given period. In this way, communities will have enough funds to acquire what they need to do the work.

The second category will target funding for specific projects designed to offer solutions to various challenges that the Aboriginal nation or community and the Government of Québec may identify jointly. Such projects have significant requirements in terms of organization, cooperation, and consultation. Communities are then given supplemental funds so they can acquire the additional resources they need to take part in the collaboration and discussions. Aboriginal people will thus be able to benefit from the appropriate expertise when specific needs arise. This will only enhance their experience as participants.

## B. GENERAL TERMS AND CONDITIONS

### CATEGORY I – CONSULTATION

To apply under this category, nations or communities must have been invited by a ministry, government agency, or government corporation to participate in a consultation process as defined in the *Interim Guide for Consulting the Aboriginal Communities (Interim Guide)*. Aboriginal nations and communities that submit a major project to enhance their participation in the consultations initiated by the Government of Québec can also apply under this category.

### CATEGORY II – SPECIFIC PROJECTS

To apply under this category, nations or communities must have been approached by the Government of Québec regarding a specific project that aims to offer solutions to a variety of challenges or problems identified jointly by the Aboriginal community and the provincial government.



## C. ELIGIBLE ORGANIZATIONS

- ◆ Aboriginal communities and nations recognized by the Québec National Assembly
- ◆ Organizations appointed by one or more Aboriginal nations or communities to take part in consultations or specific projects.

## D. ELIGIBLE PROJECTS

To be eligible, projects must meet the objectives of this component, be submitted to the SAA no later than October 1, 2021, and be completed no later than March 31, 2022.

### CATEGORY I – CONSULTATION

- ◆ The creation and operation of a consultation office allowing a nation or community to participate in all consultation processes initiated by the Government of Québec
- ◆ Other activities carried out by a nation or community in order to achieve the objectives of the consultation processes initiated by the Government of Québec
- ◆ Participation in certain consensus-building activities with partners in advance of the consultation process
- ◆ Projects with a major impact<sup>6</sup> on consultations and that enhance participation in the consultations initiated by the Government of Québec

### CATEGORY II – SPECIFIC PROJECTS

- ◆ Activities to help a nation or community plan for and participate in a discussion process as part of a specific project to offer solutions to a variety of challenges or problems
- ◆ Hiring a liaison officer for a specific project, in Aboriginal communities, with the goal of establishing a positive relationship between Aboriginal people, the Government of Québec, and local partners

## E. ELIGIBLE COSTS

Eligible costs include

- ◆ consultation office operating costs;
- ◆ the cost of producing, preparing, drafting, or translating documents; and
- ◆ all other reasonable costs that may arise for eligible projects, approved in advance by the SAA.

Eligible costs also include, up to the current regulatory rates set by the Government of Québec:

- ◆ consulting fees,
- ◆ travel costs,
- ◆ costs incurred for meetings or assemblies, and
- ◆ costs for participating in round tables with various partners.

6. The benefits of projects with a major impact include streamlining consultation between the Government of Québec and Aboriginal nations or communities by developing their consultation capabilities.



## F. INELIGIBLE COSTS

- ◆ Expenditures to erase an existing deficit and expenditures on the purchase and renovation of buildings and spaces
- ◆ Purchases of land, equipment, and motorized vehicles
- ◆ Compensation for permanent employees who manage or take part in a project when these employees already receive compensation (salary, fees, daily allowance) for the same period

Expenditures incurred to participate in consultations initiated by third parties and those incurred in negotiating or implementing partnership agreements with businesses.

under the Program for the Sustainable Management of Forests managed by the Ministère des Forêts, de la Faune et des Parcs.

No more than \$5 million from the general consultation support budget can be used for financial assistance granted under Category II – Specific Projects.

## H. TRACKING AND REPORTING

All grants formalized in a financial agreement, which must not exceed five government fiscal years, must include

- ◆ the obligations of the signatories, and
- ◆ a detailed description of the project.

Each applicant must provide at a minimum, an annual report in accordance with the provisions in the financial agreement. The document must include a full report of activities completed.

Reporting must include a financial report showing how the grant was used, along with supporting documents. The applicant must at all times keep separate accounts for project expenses, in accordance with generally accepted accounting principles.

The agreement specifies the activities, payment conditions, and undertakings made by each party.

## G. FINANCIAL ASSISTANCE

The amount of assistance granted will be determined based on the resources available to the SAA and on the following criteria:

- ◆ Advice from the relevant ministries involved in the consultations
- ◆ The expected amount of work
- ◆ Similar agreements
- ◆ The remoteness factor and the cost of living

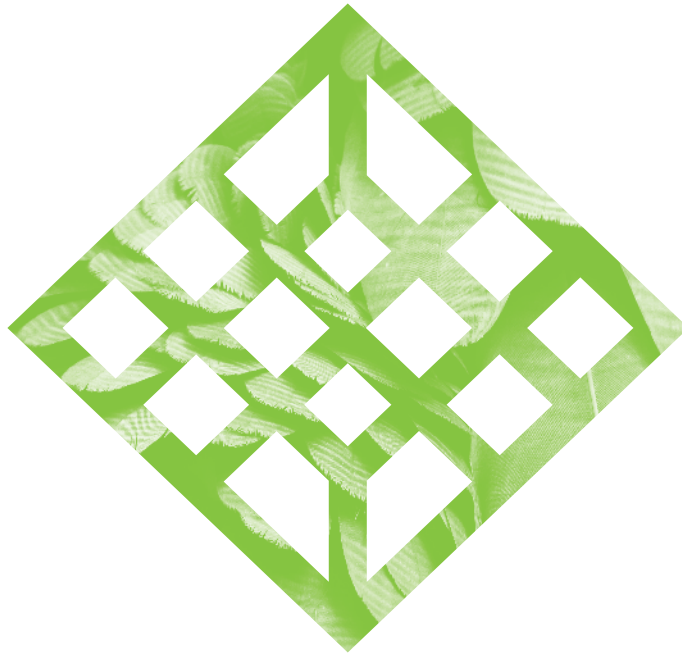
Financial assistance is in the form of a non-repayable contribution. Financial assistance from the Government of Québec can cover up to 100% of eligible costs. All applicants must declare all confirmed and expected sources in their request for funds. The SAA will verify that no other sources are paying for the same expenses.

To prevent the same activities being paid for twice, the financial support granted under the consultation support component cannot be combined with financial support









Social Development



A budget of \$10 million over five years is earmarked for projects, initiatives, and partnership agreements targeting social development in Aboriginal communities through relevant action adapted to the realities of Aboriginal people. Such projects may have significant benefits in terms of improving the living conditions of Aboriginal people in Québec. The objectives are to

- ◆ help improve physical and social living conditions in Aboriginal communities,
- ◆ foster the inclusion of Aboriginal people in Québec society and encourage citizen engagement and peaceful coexistence, and
- ◆ encourage cooperation between Aboriginal people and both Québec networks and local and regional communities.

## A. ELIGIBLE ORGANIZATIONS

- ◆ Aboriginal nation communities recognized by the Québec National Assembly
- ◆ Aboriginal nonprofit organizations or equivalent
- ◆ Non-Aboriginal nonprofit organizations that provide services for Aboriginal people
- ◆ The Assembly of the First Nations of Québec and Labrador and its committees

## B. SUBMITTING APPLICATIONS

All applicants must provide the following information:

- ◆ A description of the proposed project or initiative that
  - ◆ sets out the objective in relation to the component's objectives,
  - ◆ specifies the activities and resources that must be put in place to carry out the project or initiative,
  - ◆ includes the schedule for the project or initiative, and
  - ◆ indicates the results expected within a specific period and anticipated spinoffs for Aboriginal people.
- ◆ A financing arrangement showing
  - ◆ financial need, and
  - ◆ the expected sources of funds.
- ◆ A detailed budget and a statement showing the applicant's financial situation

## C. ELIGIBLE PROJECTS AND INITIATIVES

To be eligible, projects and initiatives must meet the objectives of this component, be submitted to the SAA no later than October 1, 2021, and be completed no later than March 31, 2022.

Eligible projects and initiatives concern

- ◆ the promotion of healthy life habits,
- ◆ the development of Aboriginal cultures and better relations between Aboriginal and non-Aboriginal people,
- ◆ racism and discrimination,
- ◆ public education and the promotion of citizen engagement,
- ◆ the development of skills among social workers, and
- ◆ collaboration on issues specific to Aboriginal development.

*Project* is understood to mean specific activities to meet specific needs in the short and medium term. An *initiative* refers to activities carried out with multiyear support, to meet specific needs over the long term.

It is important for initiatives and projects to be far reaching and innovative. This can be demonstrated through the significant, long-lasting impact expected as well as through the improvement to practices that may occur as a result.

The far-reaching nature of a project or initiative could

- ◆ address a known social issue that is current and sometimes urgent,
- ◆ aim to ensure that the actions are suitable for addressing a social issue,
- ◆ include a long-term or recurring aspect, and
- ◆ have effects that are tangible and defined.

### Social mobilization

Projects or initiatives in this category must have a mobilizing effect on Aboriginal communities in general. They must also be submitted by Aboriginal nonprofit organization and have garnered consensus among the Aboriginal nations concerned. Projects or initiatives in this category are assessed on the participation level among Aboriginal communities or nations and on the significant effects they could generate.

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## D. PARTNERSHIP AGREEMENTS

Partnership agreements are entered into to fund social development projects and initiatives through pooled contributions from each partner. Agreements between the SAA and its partners are based on shared objectives and responsibilities, and each party's mission.

A partnership agreement must be founded on common concerns and used as a tool for planning, cooperation, and bringing partners together. It must name one or more organizations to carry out the work.



Agreements entered into under these initiatives must comply with the following:

- ◆ They must enhance the SAA's action by providing value that supplements the other financial assistance programs offered by the Government of Québec.
- ◆ Actions or initiatives under the agreement must be far reaching, innovative, and limited in time.

## E. INELIGIBLE PROJECTS AND INITIATIVES

- ◆ Funding of one-time projects that last less than one month
- ◆ Funding of basic and everyday activities (operational tasks that are regularly or usually carried out by an organization)
- ◆ Funding of literary publications
- ◆ Organizing and running events, such as
  - ◆ tournaments,
  - ◆ pow-wows,
  - ◆ games,
  - ◆ galas, and
  - ◆ festivals.

## F. ELIGIBLE AND INELIGIBLE COSTS

In general, the cost of carrying out eligible activities within social development projects or initiatives are authorized, including

- ◆ professional services and salaries (coordinators, leaders, trainers, hosts, researchers, local staff, etc.);
- ◆ training and workshop costs;
- ◆ travel and transportation (according to the Government of Québec rate schedule);
- ◆ assessment costs (surveys, response plans, etc.);
- ◆ promotion and advertising;
- ◆ hospitality fees and costs;
- ◆ printing and distribution of documents for the project or initiative;
- ◆ renting space for the project or initiative;
- ◆ equipment and supplies; and
- ◆ costs associated with preparing financial documents and other reports required in order to comply with the financial agreement for a project or initiative.

For Social Mobilization projects or initiatives that show a need for funding to pay the operating costs of an organization, the Government of Québec can cover such costs for up to five years.

The administrative costs of a project or initiative cannot exceed 10% of the financial assistance granted.

Costs for purchasing buildings are not eligible.

## G. APPLICATION ASSESSMENT CRITERIA

Applications are assessed according to the following criteria:

- ◆ The suitability of the project or initiative, demonstrated by
  - ◆ eligibility in accordance with the terms and conditions of the component, and
  - ◆ compatibility of the objectives with the objectives for this component.
- ◆ The quality of the project or initiative, demonstrated by
  - ◆ the clarity and precision of the objectives;
  - ◆ the ability to carry out the project or initiative;
  - ◆ the quality of the services, programming, and activities; and
  - ◆ the realistic nature of the budget forecasts, financial arrangements, and completion schedule.
- ◆ The anticipated spinoffs, demonstrated by
  - ◆ the results to be achieved from the funds requested, and
  - ◆ the far-reaching effects for Aboriginal people.

## H. FINANCIAL ASSISTANCE

Financial assistance is in the form of a non-repayable contribution. Support from the Government of Québec cannot exceed 80% of eligible expenses.

For partnership agreements, the Government of Québec can meet up to 100% of eligible expenses. However, contributions from all partners (or the total funding from

sources other than the SAA) must equal at least 20% of all eligible expenses. Contributions in the form of services can be included in calculating financial contributions from partners.

Eligible organizations must declare all confirmed and expected sources in their application for funding. The SAA will verify that no other sources are paying for the same expenses.

## I. TRACKING AND REPORTING

Grants are to be formalized in a financial agreement not to exceed five government fiscal years. The agreement must include

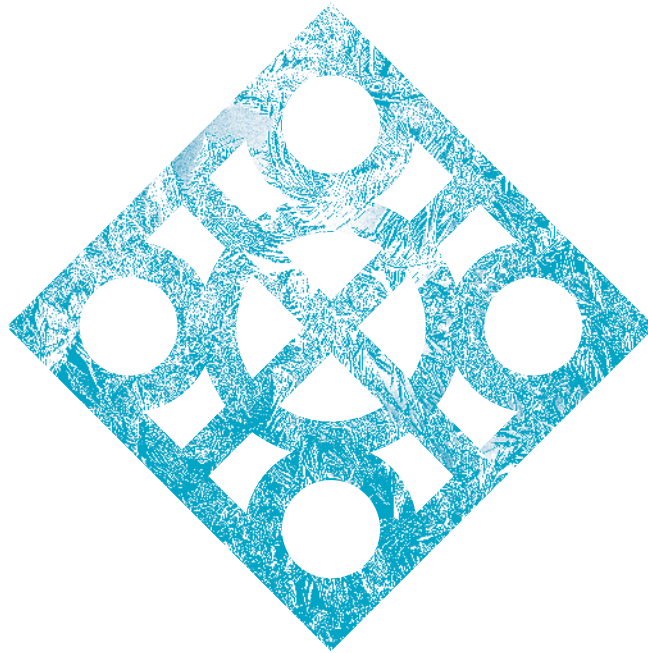
- ◆ the obligations of the signatories, and
- ◆ a detailed description of the project and the objectives relevant to the funding.

Each organization must provide, at a minimum, an annual report in accordance with the provisions in the financial agreement. The report must include

- ◆ a full report on all activities carried out, and
- ◆ a description of the results achieved in relation to the objectives.

The agreement specifies the activities, payment conditions, and commitments made by each party.





Assistance for Aboriginal People  
in Urban Environments



This component incorporates the Urban Aboriginal Support Program into AIF III. With AIF III, the Urban Aboriginal Support Program is being granted an additional \$2 million and is extended by one year. The sum of \$8.9 million, announced in 2016–2017, will be boosted by \$2 million under AIF III, for a total budget of \$10.9 million.

The purpose of this component is to improve the lives of Aboriginal people residing in Québec cities and towns and to provide community organizations with the means to offer direct, high-quality services to this clientele. Such organizations are the preferred service delivery channels for Aboriginal people in vulnerable situations outside their communities.

More specifically, this component seeks to

- ◆ provide and develop culturally appropriate and reassuring direct services to meet the needs of Aboriginal people in vulnerable situations in cities and towns,
- ◆ help develop the response capabilities of community organizations that serve Aboriginal women and their families who live in or are passing through urban environments,
- ◆ encourage cooperation between community organizations and the Québec networks,
- ◆ help improve the socio-economic circumstances of Aboriginal people, and
- ◆ renovate and improve infrastructure used by community organizations that serve an Aboriginal clientele in urban environments.

The component is divided into two separate categories, one for direct services (\$6 million) and one for infrastructure (\$4.9 million).

## A. ELIGIBLE ORGANIZATIONS

Community organizations that serve an Aboriginal clientele in urban environments and that have the following characteristics:

- ◆ Nonprofit community organization
- ◆ Rooted in their environment
- ◆ Associative and democratic
- ◆ Headquartered in Québec, outside a community or in an urban environment

## B. SUBMITTING APPLICATIONS

All applicants must provide the following information:

- ◆ Proof of legal status
- ◆ A description of the proposed project or initiative that
  - ◆ sets out the objective in relation to the program objectives,
  - ◆ specifies the activities and resources that must be put in place to carry out the project or initiative,
  - ◆ includes the schedule for the project or initiative, and
  - ◆ indicates the results expected within a specific period and the expected benefits for Aboriginal people living in urban environments.
- ◆ A financing arrangement showing
  - ◆ financial need, and
  - ◆ the expected sources of funds.



- ◆ A detailed budget and a cash flow statement
- ◆ An overview of how the organization is governed
- ◆ The most recent financial statements if the organization is currently operating

## C. APPLICATION ASSESSMENT CRITERIA

Applications are assessed according to the following criteria:

- ◆ The suitability of the project, demonstrated by
  - ◆ eligibility, in accordance with the terms and conditions of the component, and
  - ◆ compatibility of the objectives with the objectives for this component.
- ◆ The quality of the project, demonstrated by
  - ◆ the clarity and precision of the objectives;
  - ◆ the organization's ability to carry out the project or initiative;
  - ◆ the quality of the project's or initiative's services, programming, and activities;
  - ◆ the realistic nature of the budget forecasts, financial arrangements, and completion schedule; and
  - ◆ the feasibility of the project or initiative.
- ◆ The anticipated spinoffs, demonstrated by
  - ◆ the results to be achieved from the funds requested, and
  - ◆ the far-reaching effects for Aboriginal people living in urban environments.

As necessary, applications will be sent to the relevant ministries and government agencies for a review of their suitability, feasibility, and funding.

## D. DIRECT SERVICES CATEGORY

The amount set aside for this category is \$6 million. The purpose of this category is to enhance services available to Aboriginal people who live in or are passing through towns and cities in Québec, including psychosocial, socio-legal, health, education, and cultural services.

### Eligible projects and initiatives

- ◆ Projects and initiatives that aim to improve or secure direct services for Aboriginal people in vulnerable situations in towns and cities
- ◆ Projects and initiatives that aim to develop services compatible with those offered by the Québec networks, taking into account the specific characteristics of the area (adaptation or development of services, complementarity and continuity of services)
- ◆ Projects and initiatives that add to the cultural vibrancy of Aboriginal communities in urban environments

To be eligible, projects and initiatives must meet the objectives of this component, be submitted to the SAA no later than October 1, 2021, and be completed no later than March 31, 2022.



## Eligible expenses

- ◆ Salaries and benefits for employees who deliver the direct services
- ◆ Professional fees
- ◆ Miscellaneous fees
- ◆ Travel and transportation (according to the Government of Québec rate schedule)
- ◆ Translation and communication
- ◆ Temporary rental of space needed to deliver a direct service

Costs for the renovation and/or upkeep of the equipment and supplies needed to do the work and deliver the services

- ◆ Furniture and bedding
- ◆ Equipment and supplies
- ◆ Other equipment deemed a priority\*

\*Costs for equipment deemed a priority for a project must be approved by the SAA in advance.

Eligible administrative costs are

- ◆ costs associated with preparing financial documents and other reports required to comply with the financial agreement for a project or initiative.

The administrative costs of a project or initiative cannot exceed 10% of the financial assistance granted for that project or initiative.

## Ineligible expenses

Expenses incurred before the application was submitted, including expenses the organization is contractually bound to incur, are not eligible. Neither are an organization's administrative and operational costs, including all costs required to keep an organization running and that are not related to the project or initiative funded by the program.

Such costs include but are not limited to

- ◆ staff salary (compensation) costs;
- ◆ rent and upkeep;
- ◆ compensation for regular employees who manage or take part in a project or initiative when these employees already receive compensation (salary, fees, daily allowance) for the same period; and
- ◆ recovery of a deficit or a loan.

Purchases of land or buildings are not eligible.

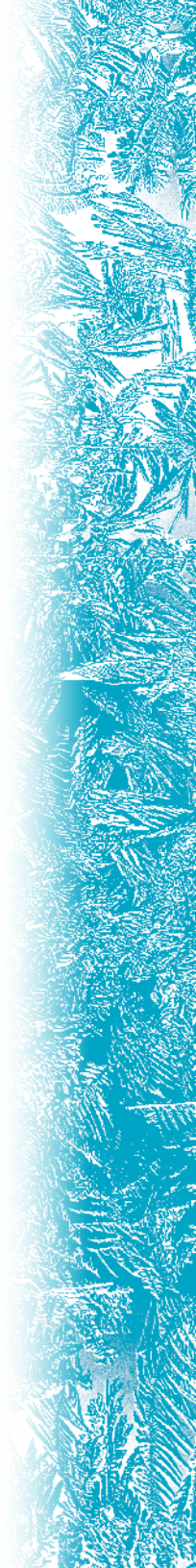
## Financial assistance

Financial assistance is in the form of a non-repayable contribution. Funds from the Government of Québec can cover up to 100% of eligible costs. All applicants must declare all confirmed and expected sources in their request for funds. The SAA will verify that no other sources are paying for the same expenses.

The maximum a single organization can receive is \$500,000 over five years, or \$100,000 per year.

An exception can be made for organizations that submit a funding request for a service location if the location

- ◆ provides services similar to those offered by the main organization;



- ◆ is located in an urban environment, in a different municipality but in the same administrative district as the main organization, and
- ◆ meets demand from a clientele that for geographical reasons does not have access to services offered by the main organization.

In these specific cases, the organization can obtain an additional \$500,000 over five years, or \$100,000 per year, to meet the needs of such service locations.

Organizations can implement multiple projects but cannot exceed the maximum dollar amount. Of this amount, a maximum of \$30,000 per year can be earmarked for the renovation or upkeep of equipment and supplies, with one exception. An exception can be made for organizations that submit a funding request for a service location, according to the criteria above. In such cases, the organization can obtain an additional amount of up to \$30,000 per year to meet the needs of service locations.

### Tracking and reporting

Grants are formalized in a financial agreement that must include

- ◆ the obligations of the signatories, and
- ◆ a detailed description of the project and the objectives related to the funding.

Each community organization must provide, at a minimum, an annual report in accordance with the provisions in the financial agreement. The document must include

- ◆ a full report on all activities carried out, and
- ◆ a description of the results achieved in relation to the objectives.

It must be accompanied by the organization's financial statements and a financial report documenting how the funds were used. The organization must at all times keep separate accounts for expenses incurred under the project or initiative, in accordance with generally accepted accounting principles.

The agreement specifies the activities, payment conditions, and commitments made by each party.

### Financial commitments for 2016–2017

All commitments and financial agreements for the Direct Service category signed in financial year 2016–2017 before AIF III approval remain valid and become subject to the rules herein as soon as the program is approved.

## E. INFRASTRUCTURE CATEGORY

The amount set aside for this category is \$4.9 million. The purpose of this category is to renovate and improve infrastructure used by community organizations and thus enhance the response capabilities of these organizations.

### Eligible projects

- ◆ Those that aim to renovate and improve infrastructure used by community organizations and thus enhance the response capabilities of these organizations
- ◆ Those that aim to provide new community organization facilities in areas where there are none at the moment

To be eligible, projects must meet the objectives of this component and be submitted to the SAA no later than March 31, 2022.



## Eligible infrastructure

Infrastructure for use by the community, including temporary, transitional, or emergency housing, is eligible. To be eligible for funding, the organization must meet at least one of the following conditions:

- ◆ Hold the title to the infrastructure
- ◆ Be in the process of purchasing the infrastructure and able to provide official written proof
- ◆ Hold or be in the process of obtaining a lease or emphyteutic lease with a term of at least
  - ◆ five years after the work is completed when the funds applied for amount to \$100,000 or less, or
  - ◆ ten years after the work is completed when the funds applied for amount to over \$100,000.

in the local offices of construction associations, and/or announced via a public electronic service. Such calls for bids must allow all competent and interested contractors to bid on the contract. The announcements or public notices must be distributed widely enough to reach an adequate number of competent and interested contractors, resulting in a competitive bidding process.

For all calls for construction bids, whether announced publicly or by invitation only,

- ◆ the deadline for bids must be at least two weeks after the calls are posted, and
- ◆ bids can only be requested and contracts awarded
  - ◆ at a flat rate, or
  - ◆ based on a unit price.

## Eligible and ineligible costs

In general, all costs required to carry out the project are eligible, including capital expenditures as defined in generally accepted accounting principles, as well as all costs incurred. These costs include

- ◆ costs associated with service contracts for eligible work;
- ◆ administrative fees;
- ◆ incidental costs, including fees and relevant analyses as well as costs for temporary financing;
- ◆ the purchase of community equipment required for the project; and
- ◆ IT expenses, such as computer equipment, software and software packages, updates, upgrades, and related training.

The program cannot cover expenses that have already received funding from a different ministry, government agency, or Government of Québec representative.

## Requirement to seek bids

For eligible projects that require \$100,000 or more in construction work, pursuant to the *Act respecting Contracting by Public Bodies* the organization is not required to hold a public call for tenders to award the contract.

However, the eligible organization must meet the following minimum requirements for awarding a \$100,000 to \$1 million construction contract:

- ◆ Hold a publicly announced open call for tenders, or
- ◆ Invite at least three contractors to submit bids.<sup>7</sup>

For construction work over \$1 million, the eligible organization must, at a minimum, hold a publicly announced open call for tenders. These types of calls for tenders are usually posted in newspapers, displayed

7. These may be Aboriginal contractors.

Costs for normal upkeep and expenses incurred before the application was submitted, including those pursuant to contract obligations, are not eligible for funding.

### Financial assistance

Financial assistance is in the form of a non-repayable contribution. Funds granted to an organization by the Government of Québec cannot exceed 80% of eligible costs. The additional 20% must come from a source other than a Government of Québec ministry or agency. Organizations must declare all confirmed and expected sources in their application for funding. The SAA will verify that no other sources are paying for the same expenses.

For projects involving the rehabilitation, repair, expansion, or replacement of existing infrastructure, the maximum amount per organization is \$600,000 over five years, with one exception.

An exception can be made for organizations that submit a funding request for a service location that

- ◆ provides services similar to those offered by the main organization;
- ◆ is located in an urban environment, in a different municipality but in the same administrative district as the main organization, and
- ◆ meets demand from a clientele that for geographical reasons does not have access to services offered by the main organization.

In such cases, the organization can obtain an additional amount of up to \$400,000 to meet the needs of a service location.

The construction of new infrastructure is not subject to the limit of \$600,000 over five years.

### Tracking and reporting

Grants are formalized in a financial agreement that must include

- ◆ the obligations of the signatories, and
- ◆ a detailed description of the project and the objectives related to the funding.

The project must be completed within two years of the financial agreement being signed.

Reporting must comply with the provisions of the financial agreement and must include

- ◆ a certificate of completion for the project showing that the work specified in the financial agreement is complete and compliant, and
- ◆ a financial report made up of a detailed income and expenses statement for the project, approved by a resolution passed by the organization's board of directors.

The organization must at all times keep separate accounts for project expenses, in accordance with generally accepted accounting principles.



## Payment methods

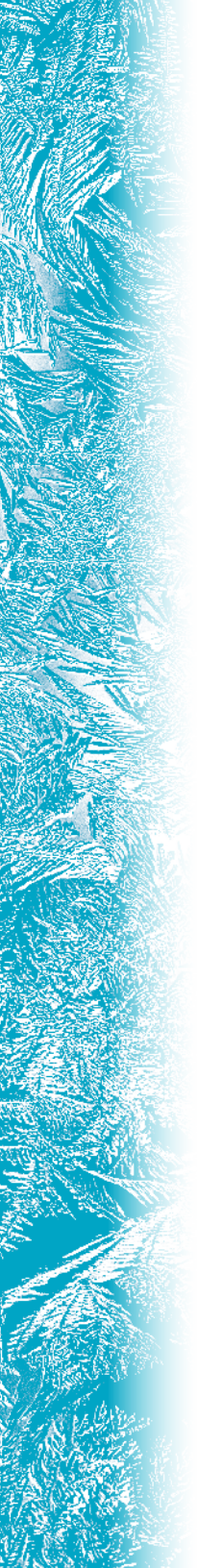
The agreement specifies the activities, payment conditions, and commitments made by each party.

For grants over \$100,000, the assistance awarded will be used to service the debt. The SAA will reimburse the capital, interest payments, and costs of long-term loans taken out by organizations with the institution of their choice to fund their project.

When financial assistance is paid in the form of reimbursement for debt service, it must be paid within

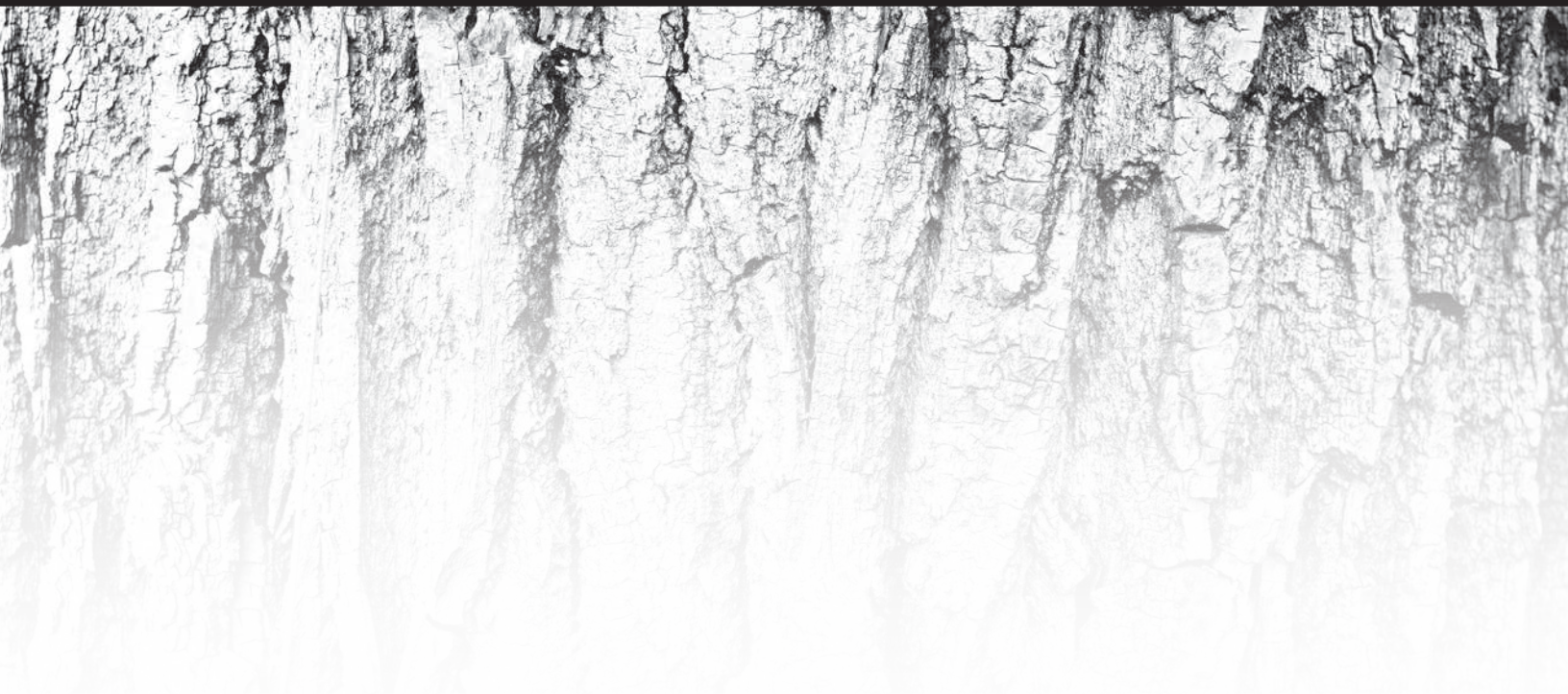
- ◆ three to five years for amounts of \$500,000 or less, or
- ◆ five and fifteen years for amounts over \$500,000.







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