



FOREST SECTOR COVID SAFETY MEASURES PROGRAM

PROGRAM DESCRIPTION

1. DEFINITIONS

- (a) **“Applicant”** means a Small or Medium-Sized Enterprise or SME that has submitted an application for funding under the Program;
- (b) **“Approval”** means the written approval of FRIAA of an application, including any terms and conditions set by FRIAA;
- (c) **“Approved Applicant”** means an Applicant whose application has received Approval;
- (d) **“Contribution Agreement”** means the agreement as between FRIAA and NRCan made effective April 1, 2020 in respect of funding for the Program;
- (e) **“COVID Relief Funds”** means the funds allocated to FRIAA in accordance with the Contribution Agreement;
- (f) **“Department”** means Her Majesty the Queen in Right of Alberta as represented by the Minister of Agriculture and Forestry and any duly authorized officers or representatives;
- (g) **“Eligible Expenditure Period”** means the period starting on April 1, 2020, through March 15, 2021;
- (h) **“Eligible Expenditures”** means any expenditures incurred and paid by the Applicant within the Eligible Expenditure Period for which the Applicant has submitted a claim for reimbursement from FRIAA in accordance with the Terms and Conditions and including as follows:
 - (i) salaries and benefits, and worker training and development;
 - (ii) management, professional and technical services;
 - (iii) contractors;
 - (iv) materials and supplies;
 - (v) routine laboratory and field equipment maintenance;
 - (vi) transportation rental, operation and maintenance;
 - (vii) rental, upgrading or expansion of facilities;
 - (viii) machinery and equipment;
 - (ix) travel expenses including accommodation, and venue expenses; and
 - (x) GST, PST or HST, net of any tax rebate to which the Applicant is entitled;and shall be:

- (xi) incremental expenses directly related to the implementation of COVID-19 health and safety measures (*e.g.* personal protective equipment, handwashing stations, extra vehicles and accommodations in work camps, extra sanitation efforts and facilities for self-isolation in work camps);
- (xii) incremental, discrete, and distinguishable from other changes in revenues or productivity (*e.g.* lost revenues from reduced sales effectiveness shall not be Eligible Expenditures);
- (xiii) incurred at places of work or work camp location (*i.e.* personal COVID-related costs such as the cost of employees isolating at home shall not be Eligible Expenditures); and
- (xiv) incurred for program delivery in Alberta;

and shall not be:

- (xv) in-kind costs, being contributions of goods and services provided by the Applicant or other contributors;
 - (xvi) expenses incurred by provincial and territorial governments for program administration, information dissemination and training on COVID-related health and safety requirements, monitoring, enforcement and any other provincial and territorial residual costs;
 - (xvii) expenses that have already been covered by payments from other sources (*e.g.* already transmitted to and paid by large forest sector companies by way of higher fees);
 - (xviii) expenses and costs associated with the activities already supported under other federal or provincial programs, however, the Applicant can apply to or benefit from other federal or provincial government COVID-related or other funding programs, provided such funding or other contributions do not directly support the implementation of COVID safety measures.
- (i) **“FRIAA”** or **“Association”** means the Forest Resource Improvement Association of Alberta;
 - (j) **“NAICS Codes”** means the following codes set out under the North American Industry Classification System: 113 (forestry and logging), 1153 (support activities for forestry), 321 (wood product manufacturing), and 322 (pulp and paper manufacturing);
 - (k) **“NRCan”** means Her Majesty the Queen in Right of Canada represented by the Minister of Natural Resources and any duly authorized officers or representatives;
 - (l) **“Program”** means the Forest Sector COVID Safety Measures Program administered by FRIAA with funding support from NRCan through its COVID-19 Safety Measures in Forest Sector Operations Program for certain Small or Medium-Sized Enterprises in Alberta;
 - (m) **“Request for Applications”** means the process established by FRIAA to receive applications for the reimbursement of Eligible Expenditures during the Eligible Expenditure Period;
 - (n) **“Small or Medium-Sized Enterprise”** or **“SME”** means a forest sector small or medium-sized enterprise, with employee count averages less than 500 employees within the last 12 months preceding the Eligible Expenditure Period including all employees on the payroll

in Canada at the corporate level (not by facility or by work site), whose primary business activities fall within one of the following classifications:

- (i) tree planting companies (NAICS Code 1153),
 - (ii) silviculture survey companies (NAICS Code 1153),
 - (iii) contractors and service providers (NAICS Code 113 or 1153); and
 - (iv) other SMEs (NAICS Code 321 or 322).
- (o) **“Terms and Conditions”** means the terms and conditions established by FRIAA to govern the Request for Applications and includes the Program application form and template.

2. PROGRAM PURPOSE

The purpose of the Program is to provide a source of funds for the reimbursement of Eligible Expenditures as a result of complying with provincial and applicable federal legislation and public health orders, directives and requirements of Alberta authorities made as a result of and in response to the declaration of the COVID-19 Pandemic. The Program does not subsidize or relieve forest disposition holders of their responsibilities for sustained yield forest management including reforestation and other forest management activities and associated costs and expenses; rather, it addresses those activities that arise directly out of complying with provincial and applicable federal legislation and public health orders, directives and requirements of Alberta authorities that are above and beyond those required forest management functions. The Program addresses the reimbursement of Eligible Expenditures incurred and paid by certain SMEs during the Eligible Expenditure Period.

3. PROGRAM FUNDING

- (a) COVID Relief Funds are held by NRCan and are transferred to FRIAA on the basis of applications that have received Approval for funding under the Program.
- (b) FRIAA may submit up to two (2) requests to NRCan for transfers on the basis of applications that have received Approval.
- (c) Once transferred to FRIAA by NRCan, COVID Relief Funds up to the amount allocated by NRCan under the Contribution Agreement are to be disbursed to Approved Applicants.
- (d) FRIAA shall maintain all books of account and records relating to the COVID Relief Funds and shall distribute the COVID Relief Funds in accordance with this Program Description and the Terms and Conditions.

4. ELIGIBILITY

- (a) Applicants must be a Small or Medium-Sized Enterprise.
- (b) Applicants must have as their primary business activities those listed under one of the following NAICS Codes: forestry and logging (NAICS 113), support activities for forestry (NAICS 1153), wood product manufacturing (NAICS 321), and pulp and paper manufacturing (NAICS 322).
- (c) Enterprises providing goods or services to the forest sector but whose primary activities are not listed under the aforementioned NAICS Codes (113, 1153, 321 or 322), such as transportation, housing or equipment, are not eligible to apply for funding under the Program.

- (d) Priority will be given to eligible Applicants as follows:
 - (i) tree planting enterprises (NAICS Code 1153),
 - (ii) silviculture survey companies (NAICS Code 1153),
 - (iii) contractors and service providers (NAICS Code 113 or 1153), and
 - (iv) other SMEs (NAICS Code 321 or 322).

5. APPLICATIONS AND APPROVALS

- (a) An Applicant may submit an Application for funding to FRIAA in accordance with this Program Description and the requirements, policies and procedures of FRIAA.
- (b) FRIAA shall evaluate an Application using the following criteria:
 - (i) the Applicant incurred and paid for Eligible Expenditures in Alberta directly as a result of forestry work in Alberta for a forest tenure holder or FRIAA;
 - (ii) the costs set out in the Application must be necessary and reasonable, with respect to compliance with orders and directives due to COVID-19, in all the circumstances;
 - (iii) the Application and Eligible Expenditures must comply with and not be contrary to, the objects of FRIAA, the bylaws, or the provisions of applicable legislation, regulations or workplace requirements of relevant authorities.
- (c) An Application must be made in writing and submitted by an Applicant that is contracted by a forest tenure holder or FRIAA to conduct certain activities giving rise to Eligible Expenditures, or as otherwise approved by FRIAA, that falls within one of the following NAICS Codes: 113 (forestry and logging), 1153 (support activities for forestry), 321 (wood product manufacturing), and 322 (pulp, paper and paper products manufacturing) according to the priorities set by the Department and listed in paragraph 4(d).
- (d) Where an Application includes activities that are, in the opinion of FRIAA, the responsibility of a timber disposition holder, only that portion of the Application that is not the responsibility of the timber disposition holder is eligible for funding under the Program.
- (e) FRIAA shall not approve any applications or Application that, in its opinion and having regard to all the circumstances, has the effect of providing subsidies to the forest products industry for any activity that is a tenure, regulatory or legislative responsibility of a timber disposition holder.
- (f) FRIAA's Approval of an Application shall be limited by the availability of COVID Relief Funds received from NRCan for reimbursement of Eligible Expenditures.
- (g) Where FRIAA approves an Application, an Approval shall be prepared and forwarded by FRIAA to the Approved Applicant outlining the terms and conditions of the Approval.
- (h) The Approval shall address amongst other things, the following:
 - (i) the maximum amount payable under the Approval;
 - (ii) the terms and conditions of the Approval; and
 - (iii) any other terms and conditions required by FRIAA including audit procedures and

reporting requirements.

6. USE OF COVID RELIEF FUNDS

- (a) All COVID Relief Funds will be paid by FRIAA as reimbursement for Eligible Expenditures incurred and paid by the Approved Applicant and not reimbursed or paid for by another party.
- (b) Any amounts payable under an Approval shall be used exclusively by an Approved Applicant for reimbursement of Eligible Expenditures in accordance with the Approval.
- (c) The use of COVID Relief Funds for any purpose other than that described in Article 6(a), above, by the Approved Applicant, creates a right in FRIAA to immediately terminate the Approval with the Approved Applicant, and a right to the immediate return of any COVID Relief Funds paid or payable in respect of the Approval.

7. REPORTING AND AUDIT REQUIREMENTS

- (a) An Approved Applicant shall provide any information whatsoever that FRIAA requests respecting any Application, or request for COVID Relief Funds, and this provision shall be a requirement of the Approval. This information may be required to be provided in a form prescribed by FRIAA from time to time;
- (b) Without limiting the generality of the foregoing, FRIAA may request and shall receive from any Approved Applicant:
 - (i) a report from an independent, qualified accountant;
 - (ii) performance of an audit, or prompt, complete responses to audit inquiries or requests;
- (c) FRIAA has a right to conduct audits with respect to an Approval and has a right to conduct random sample audits and post-Approval audits from time to time as may be considered appropriate or expedient at the sole discretion of FRIAA.
- (d) Approved Applicants shall maintain or cause to be maintained full, accurate and complete records of their activities conducted in furtherance of and the results achieved from the conduct of the Eligible Expenditures for a period of three (3) years following the Eligible Expenditure Period.

8. ADMINISTRATION OF APPROVALS AND PROJECTS

- (a) In the event an Approved Applicant is in breach of or otherwise fails to perform, for any reason whatsoever, any provision or term or condition of an Approval, or is in contravention of any policy or rule of FRIAA, FRIAA may, in its sole discretion, do one or more of the following in addition to any other rights it may have at law or otherwise:
 - (i) terminate or withdraw any and all Approvals with the Approved Applicant;
 - (ii) demand and be entitled to receive from the Approved Applicant any and all paid, disbursed and undisbursed COVID Relief Funds provided by FRIAA pursuant to any Approval; or
 - (iii) commence any action or take any steps that FRIAA may consider just or appropriate in the circumstances.