

FRIAA Forest Sector COVID Safety Measures Program

Request for Applications

**February 25, 2021 Information
Session**



Applicant Questions:

Questions 1 through 15 were asked live during the Information Session. For a greater understanding of this Program, FRIAA has provided detailed answers for all Applicants to review.

Question #1: What are the priorities for funding under the Forest Sector COVID Safety Measures Program

Answer #1: Alberta Agriculture and Forestry has provided FRIAA with a priority listing of SMEs that are eligible for funding under the Program in the following order of priority:

- 1) tree planting companies – NAICS Code 1153;
- 2) silviculture companies – NAICS Code 1153;
- 3) contractors and service providers – NAICS Codes 113 or 1153; and
- 4) other SMEs – NAICS Codes 321 or 322.

Question #2: How is an SME determined?

Answer #2: Small- and medium-sized forest sector enterprises (“SMEs”) are determined by the employee count and primary business activity. SMEs that have employee count averages of less than 500 employees in the last 12 months where an average takes into account the seasonal nature of some SMEs. The employee count must include all employees on the payroll in Canada at the corporate level (not by facility or by work site) regardless of industry code. Employee counts must also include all subsidiaries structured under the parent company. Eligible SMEs primary business activities must be listed under one of the following North American Industry Classification Systems (“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). SMEs providing goods or services to the forest sector but whose primary activities are not listed under the aforementioned NAICS codes (113, 1153, 321, 322), such as transportation, housing or equipment, are not eligible for funding under the Program.

Question #3: How much funding is available under the FRIAA Forest Sector COVID Safety Measures Program?

Answer #3: \$3,615,056 is available under this Program.

Question #4: A SME forestry company Applicant paid additional costs per tree planted in the 2020 season, are these additional per unit costs an eligible expense for this Program?

Answer #4: Unit cost increases may be eligible for reimbursement under the FRIAA Forest Sector COVID Safety Measures Program. The Applicant will need to clearly justify these per unit cost increases in their Application. An example spreadsheet will be posted to provide an outline for this approach.

Question #5: Can the planting company apply for the COVID-19 related expenses not fully compensated by the forestry company?

Answer #5: Yes, costs that have not been reimbursed already by a forestry company are eligible under this Program. The Applicant must clearly demonstrate any costs that were incurred that have not been reimbursed to-date.

Question #6: Given the applications are to be submitted by March 15th, what is the timeline for decisions to be made?

Answer #6: Following the Application Deadline on March 15th, FRIAA will review Applications shortly following this deadline. Once FRIAA has determined the applications to move forward based on the criteria and priorities outlined in the Request for Applications, FRIAA will provide a Contribution Agreement to the Eligible Applicant for execution. FRIAA will submit eligible applications to Natural Resources Canada ("NRCAN") by April 8th for final approval. FRIAA expects to notify successful Eligible Applicants once confirmed by NRCAN which is anticipated to be by early-May.

Question #7: Many planting companies are BC-based but had Alberta planting contracts. Does this funding have a BC equivalent?

Answer #7: Only SMEs working in Alberta on Alberta projects are eligible under the FRIAA Forest Sector COVID Safety Measures Program. BC has structured a program in response to federal funding, however FRIAA is not aware of the details of this program and is unable to provide information related to their programs.

Question #8: With our mill being a low priority for funding overall, we have however already reimbursed some of our contractors that would be the highest priority for COVID related expenses, would that portion of an application from our mill be seen as being higher priority?

Answer #8: It is possible that portions of this application may be ranked as a higher priority, however funding will be highly dependant on the number of applications received, the total funding request and the funding requests within each of the four priorities outlined in the Request for Applications.

Question #9: How was the decision made to prioritize silviculture contractors? There are a lot of other contractors in the forest industry that have had extra costs as well.

Answer #9: Alberta Agriculture and Forestry initially outlined the priorities in March 2020 to determine the greatest need by anticipating operations for the 2020 season. Depending on the total funding request from the silviculture contractors, this program will be able to offer funding opportunities under the four priorities outlined in the Request for Applications.

Question #10: Where do MPB survey and control contractors fall in the priority as most are silviculture contractors?

Answer #10: MPB survey and control contractors would likely fall under priority 3, however this would be dependant on the main activity for which the contractor is submitting their claim. Depending on the specifics of the activity and request, your application may align with priority 2.

Question #11: Is the Canada Emergency Wage Subsidy (CEWS) to be disclosed or deducted?

Answer #11: The following explanation was provided by NRCAN, "expenses and costs associated with activities supported under other federal programs, like the Low Carbon Economy Fund, are not eligible." In other words, a single expense (activity) cannot be claimed under two federal programs at the same time. That said, the SME as a whole remains able to claim other eligible expenses under the FSSMF. Within the federal framework, an eligible salary expense is for an employee whose work is "directly related to the implementation of COVID-19 health and safety measures". Business-as-usual employees do not fall within the eligibility criteria and do not need to be reported.

For example, if an SME received funding under the Canada Emergency Wage Subsidy (CEWS) to cover 75% of the salary costs for a COVID-19 health coordinator for the month of September, the SME is unable to claim the

remaining 25% under the FSSMF. However, if at the end of September, the SME stopped receiving CEWS and continued to employ the COVID-19 health coordinator for subsequent months, those incremental salary costs could be claimed under the FSSMF.

In the above scenario, CEWS provided direct support to a specific activity (wages) within a specific timeframe (September) and as a result, those salaries are ineligible under the FSSMF. Once the SME ceased to receive CEWS funding, the COVID-19 health coordinator salary became an eligible expense under this program.

SMEs may have also accessed other federal funding or loans, such as the Canada Emergency Business Account (CEBA), designed to support the general operation of small businesses impacted by COVID-19. As CEBA provides general business support rather than funding for specific activities, SMEs receiving CEBA or other generic supports, can claim eligible COVID-19 related expenses under FSSMF. **This would only apply to the “wages” portion of a claim and will not hinder the ability for the SME to claim eligible expenses from other categories such as “enhanced hygiene”, etc.**

Question #12: Do we have any indication that this funding will be continued for the 2021 working season?

Answer #12: At this time, FRIAA is not aware of any further funding available. Funding for the 2021 working season will be dependant on funding from the federal government and public health guidelines. FRIAA will inform all participants and interested parties if funding for the 2021 season becomes available under this Program.

Question #13: If not all of the funding is disbursed is there a possibility that the guidelines for the size of SME would be expanded?

Answer #13: It is unlikely that the guidelines for SME will be expanded if the funding is not fully allocated. As the guidelines for SME are defined by NRCan, FRIAA cannot modify this definition. In the event that we are unable to allocate all of the funding, the remaining funds would be returned to Natural Resources Canada to determine the next steps.

Question #14: What is the maximum amount available per Applicant?

Answer #14: There is no funding cap, except that funding will be allocated to align with the four priorities. If this Program is heavily oversubscribed, a threshold may be implemented to assist with the review process and distribution of funds.

Question #15: Tree planting crosses several industries including oil and gas, mining, carbon etc. will the COVID costs faced by tree planting companies in those industries be applicable to this Program?

Answer #15: This Program has been developed specifically for the Forest Sector; therefore, this Program will not be including other industries. These other industries also have unique NAICS codes not considered to be eligible within NRCan’s FSSMF Program.

FRIAA remains available to answer ongoing questions. Please contact admin@friaa.ab.ca for additional information or to pose additional questions.