



THE CORPORATION OF THE TOWN OF LATCHFORD

BY-LAW No.: 2026-035

Being a By-Law to enter into an agreement with FEDNOR for the Northern Ontario Development Program – Community Economic Development Funding Stream.

Whereas, pursuant to Section 9 of the Municipal Act, 2001, S.O. 2001, c 25, a Council may enter into Agreements;

And further that the Council for the Town of Latchford deems it expedient to enter into an agreement with FedNor for the Northern Ontario Development Program – Community Economic Development Funding Stream.

Now therefore, the Council of the Corporation of the Town of Latchford hereby enacts as follows:

1. **That**, authority is hereby granted to the Mayor and Clerk to enter into an agreement with FedNor.
2. **And that**, the agreement attached as Schedule A forms part of the by-law.
3. **And that**, any and all actions taken and required to be taken by the Mayor and Clerk on behalf of the Corporation of the Town of Latchford to complete this matter including the execution of the Agreement and any other associated documentation are hereby authorized, confirmed and ratified.
4. **And further that**, this by-law shall come into force and take effect immediately upon the approval of Council.
5. **And finally**, the Clerk for the Corporation of the Town of Latchford is hereby authorized to make minor modifications or corrections of a grammatical or typographical nature to the By-law, after the passage of this By-law, where such modifications or corrections do not alter the intent of the By-law or its associated schedule.

Read a first, second and third time and finally passed on the 8th day of September, 2026.

Sharon Gadoury-East, Mayor

Malorie Robinson, Clerk

**CONTRIBUTION AGREEMENT UNDER THE
NORTHERN ONTARIO DEVELOPMENT PROGRAM
COMMUNITY ECONOMIC DEVELOPMENT STREAM**

This **Contribution Agreement** is made:

BETWEEN:

**The Minister of Employment and Social Development, referred to as
Minister of Jobs and Families and Minister Responsible for the
Federal Economic Development Agency for Northern Ontario**

(the “**Minister**”)

AND:

Corporation of the Town of Latchford is an organization duly
incorporated under the laws of Ontario having its office located at:
10 Main Street, Highway 11
LATCHFORD, ON
P0J 1N0

(the “**Recipient**”)

WHEREAS the Recipient has applied for funding through the Minister;

WHEREAS the Minister established the Northern Ontario Development Program – Community Economic Development stream (the “Program”) to support communities' efforts to plan and mobilize their resources, enhance business growth, and exploit new opportunities for economic development and diversification;

WHEREAS the Minister has determined that the Recipient is eligible for funding under the Program and that the Project (as defined in this Agreement) qualifies for support under the Program;

AND WHEREAS the Minister has agreed to provide a Non-Repayable Contribution to the Recipient for the Project subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the foregoing principles and their respective obligations set out below, the Parties hereto agree as follows:

1. INTERPRETATION

1.1. Definitions

Except where otherwise defined in this Agreement, a capitalized term has the meaning given to it in this section, words importing the singular include the plural and vice versa, and words importing gender include all genders.

- a) **“Application Received Date”** means April 10, 2026, the date on which the Minister received the financial assistance application.
- b) **“Business Day”** means any day other than a Saturday, Sunday and statutory holiday to which the Parties are subject.
- c) **“Contribution”** means the funding provided by the Minister for the Eligible Supported Costs of the Project in accordance with the terms and conditions of this Agreement, in the amount set out in section 3.1.
- d) **“Costs Incurred”** means the costs of services rendered to or goods received by the Recipient in support of the Project from the Eligibility Date to the Project Completion Date, that the Recipient has paid or has a legal obligation to pay.
- e) **“Effective Date”** means the date on which the Minister receives the Agreement executed by all Parties.
- f) **“Eligibility Date”** means April 10, 2026.
- g) **“Eligible Costs”** means those Costs Incurred by the Recipient that meet the criteria set out in the Project Costs section of Schedule A – *Statement of Work* and Schedule B – *Costing Memorandum*.
- h) **“Eligible Supported Costs”** means the Eligible Costs listed in Schedule A – *Statement of Work* that are essential to carrying out the Project, reasonable and directly related to the Project that the Minister supports under this Agreement.
- i) **“Fiscal Year”** means the period beginning April 1st in any year and ending March 31st of the following year.
- j) **“Ineligible Costs”** means those costs relating to the Project that are not eligible for funding, in accordance with Schedule B – *Costing Memorandum*.
- k) **“Interest Rate”** means the interest rate indicated in the *Interest and Administrative Charges Regulations*.

- l) **“Overpayment”** means an amount paid by the Minister as part of the Contribution or expressly treated as an Overpayment pursuant to the terms and conditions of this Agreement, and which is recoverable by the Minister in accordance with section 6.6.
- m) **“Party”** means the Minister or the Recipient, as the case may be, and **“Parties”** means the Minister and the Recipient.
- n) **“Program”** has the meaning set out in the recitals.
- o) **“Project”** means the activities carried out by the Recipient in accordance with Schedule A – *Statement of Work*.
- p) **“Project Budget”** means the Recipient’s financial plan for the Project, in accordance with Schedule A – *Statement of Work*.
- q) **“Project Costs”** means the aggregate of all Eligible Costs and Ineligible Costs for the Project, in accordance with the Project Budget.
- r) **“Project Completion Date”** means May 31, 2027, the date on which all components of the Project are completed to the satisfaction of the Minister, in accordance with this Agreement.
- s) **“Project Start Date”** means July 31, 2026.
- t) **“Term of this Agreement”** means the term specified at section 1.3 of this Agreement;
- u) **“Schedule”** means a schedule to this Agreement.

1.2. Entirety of Agreement

The Agreement includes this contribution agreement, the schedules and all associated documents, including amendments that may subsequently be made to these documents in the manner set out herein (the "Agreement"). Further, the Recipient reaffirms the declarations, authorizations, certification, guarantees and commitments made in its application for financial assistance, declares that they remain true and accurate in all respects, and agrees to promptly inform the Minister of any amendment affecting them. If any inconsistency exists between the Schedules and the sections of this Agreement, the sections of this Agreement take precedence.

1.3. Term

The Agreement shall come into force as of the Effective Date and, subject to section 1.5 will expire on the later of the following:

- (a) twenty-four (24) months after the Project Completion Date; or
- (b) upon the date on which all amounts due by the Recipient to the Minister under this Agreement, have been made in full.

1.4. Schedules

The following Schedules are attached to, and form part of, this Agreement:

- Schedule A – Statement of Work
- Schedule B – Costing Memorandum
- Schedule C – Claims and Reporting Requirements

1.5. Survival

Notwithstanding anything else in this Agreement, the following rights and obligations shall survive the expiration or early termination of this Agreement for a period of twenty-four (24) months:

- Section 10 Audit and Evaluation
- Section 11 Information Management, Retention and Access

1.6. Headings

The headings used in this Agreement are inserted for convenience of reference only, and shall not affect its interpretation.

2. PURPOSE

2.1. Purpose of the Contribution

The purpose of the Contribution is to provide financial assistance to the Recipient for the Project described in Schedule A – *Statement of Work*, in accordance with the terms and conditions set forth in this Agreement. The Recipient agrees to use the Contribution solely for this purpose.

3. CONTRIBUTION AND PROJECT BUDGET

3.1. Contribution by the Minister

- a) Subject to the terms and conditions of this Agreement, the Minister shall make a Non-Repayable Contribution to the Recipient with respect to the Project, up to an amount not exceeding the lesser of:
 - a) 90.00 percent of the total Eligible Supported Costs of the Project; and
 - b) \$81,000.
- b) The Parties acknowledge that the Minister's role with respect to the Project will be limited to making a financial contribution to the Recipient in respect of the Project, and that the Minister shall have no involvement in the management or operation of the Project. The Minister is neither a decision-maker nor an advisor in respect of the Project.

3.2. Budgeting and Allocation of Contribution

3.2.1 The Minister shall not contribute to any Eligible Costs incurred by the Recipient prior to the Eligibility Date or after the Project Completion Date. The Minister shall not make any payment of the Contribution in respect of costs for which the Recipient has entered into a legal commitment prior to the Application Received Date.

3.2.2 The Minister may, at their discretion, limit the amount paid towards Eligible Costs incurred by the Recipient between the Application Received Date and the Project Start Date to 10% of the Contribution.

3.3. Parliamentary Appropriations

Any payment by the Minister under this Agreement is subject to there being sufficient appropriation for the Fiscal Year in which the payment is to be made. In the event that departmental funding levels of any Funding Department are changed or anticipated to be changed by Parliament during the term of this Agreement, the Minister may, at their discretion and upon reasonable written notice to the Recipient, cancel or reduce the Contribution under this Agreement. Should the Minister reduce or cancel the Contribution, the maximum amount payable pursuant to subsection 3.1(a) of this Agreement will be reduced accordingly. In such circumstances, the Recipient may, at its own discretion and upon providing reasonable written notice to the Minister, elect to terminate this Agreement. The Recipient agrees that it will not be entitled to any compensation, indemnity, loss of profit, or any other form of damages in relation to a reduction or cancellation of funding for the Project by the Minister pursuant to this section 3.3.

3.4. Other Government Financial Support

3.4.1 The Recipient confirms that, as of the Effective Date, it has requested, received or has been approved to receive, in addition to the Contribution, the following federal, provincial/territorial, or municipal government financial assistance ("Government Financial Assistance") for the Project:

Federal:

Federal Tax Credits:

Provincial:

Provincial Tax Credits:

Municipal:

Total: \$0

The Recipient confirms that it has not requested nor received any Government Financial Assistance for the Project, other than as set out above.

3.4.2 The Recipient agrees that, for the purposes of this section, Government Financial Assistance includes, and may not be limited to any grants, contributions, subsidies, forgivable loans, investment tax credits and any other tax credits available to the Recipient in respect of the Project.

3.4.3 In no event will the total Government Financial Assistance towards the total Eligible Costs be allowed to exceed one hundred percent (100 %) of the Eligible Costs.

3.4.4 The Recipient agrees to promptly notify the Minister of any changes to the above Government Financial Assistance for the Project during the Term of this Agreement. The Recipient acknowledges and agrees that the Minister may, at their discretion, reduce the amount of the Contribution to the extent of any additional Government Financial Assistance or require the Recipient to repay the excess amount of the Contribution it received, and any such amount will be treated as an Overpayment.

3.5. Other Financial Support

The Recipient agrees to promptly notify the Minister of any changes to the other financial assistance for the Project in accordance with Schedule A – *Statement of Work*, other than Government Financial Assistance in accordance with section 3.4, during the Term of this Agreement. The Recipient acknowledges and agrees that the Minister may, at their discretion, reduce the amount of the Contribution to the extent of any additional financial assistance or require the Recipient to repay the excess amount of the Contribution it received, and any such amount will be treated as an Overpayment.

4. OBLIGATIONS OF THE RECIPIENT

4.1. Project Commitments by the Recipient

The Recipient covenants and agrees to complete the Project in accordance with the terms and conditions of this Agreement. Without limiting the generality of the foregoing, the Recipient shall:

- a) carry out the Project, described in Schedule A – *Statement of Work*, in a diligent, timely and professional manner and in general compliance with the Project Budget;
- b) begin the Project no later than the Project Start Date and complete the Project no later than the Project Completion Date;
- c) submit claims for Eligible Supported Costs in accordance with section 6 Schedule B – *Costing Memorandum* and Schedule C – *Claims and Reporting Requirements*;
- d) comply with reporting requirements in accordance with section 7 and Schedule C – *Claims and Reporting Requirements*;
- e) ensure that all goods and services, including those for which the Minister is contributing to their costs under this Agreement, will be purchased or acquired at competitive prices that are no greater than fair market value after deducting all trade discounts and similar items;

- f) give consideration to the use of Canadian materials and content, where such materials and content are competitive and available;
- g) assume full responsibility at all times for the Project and all matters arising therefrom, including cost overruns;
- and;
- h) In awarding a contract for goods or services, the Recipient undertakes to comply with all applicable legislation concerning the awarding of procurement, service and construction contracts.

5. CONDITIONS

5.1. Pre-disbursement

The Minister shall not disburse any amount of the Contribution until the Recipient has provided evidence, to the satisfaction of the Minister:

- a) That it has arranged for the balance of the funding required to enable the Project to proceed, as outlined in Schedule A - Statement of Work; and/or in the absence of confirmed funding, a letter to the Minister is required attesting that the Recipient will absorb any financial shortfalls and proceed with Project.
- b) That all permits, licenses, approval and authorizations required to complete the Project have been secured.
- c) That the Request for Proposal (RFP) has been completed.
- d) That Council Resolution approving the project be passed.

6. CLAIMS AND PAYMENTS

6.1. Payment of Claims

6.1.1 The Recipient shall submit claims in accordance with Schedule C – *Claims and Reporting Requirements*, certified by an authorized officer of the Recipient, for reimbursement of Eligible Supported Costs and the Minister shall pay the Contribution in respect of Eligible Supported Costs incurred in accordance with Schedule A – *Statement of Work* and all applicable terms and conditions of the Agreement.

6.1.2 Claims must be submitted using forms prescribed by the Minister in accordance with Schedule C – *Claims and Reporting Requirements*, unless otherwise approved in writing by the Minister.

6.2. Requests for Advance Payments

6.2.1 Where the Minister is satisfied and has determined that the Recipient's cash flow requirements justify the need for an advance payment under this Agreement, and upon receipt of the Recipient's forecasted cash flow requirements using forms prescribed by the Minister in accordance with Schedule C – *Claims and Reporting Requirements* of this Agreement, the Minister may, at their discretion, pay to the Recipient an initial advance.

6.2.2 The Minister shall determine the relevant advance period prior to making any advance payment of a portion of the Contribution. The advance payment will not exceed the immediate cash requirements of the Recipient for that period and will take into account any holdback that may be applied.

6.2.3 Within thirty (30) days of the end of the advance period, or as requested by the Minister, the Recipient shall provide an accounting for advances received, both expended and unspent, through the submission of a report detailing the actual amounts of Eligible Supported Costs incurred during the advance period in accordance with Schedule C – *Claims and Reporting Requirements*.

6.3. Final Claim for Reimbursement of Eligible Supported Costs

6.3.1 The Recipient shall submit, to the satisfaction of the Minister, the final claim for Eligible Supported Costs incurred, no later than ninety (90) days after the Project Completion Date. The Minister shall have no obligation to pay any claims submitted after that date.

6.3.2 For the final claim, the Recipient shall submit, to the satisfaction of the Minister:

- a) all documents set out in section 6.1 above; and
- b) a certification, by an authorized officer of the Recipient, that all the claims deal solely with Eligible Supported Costs incurred and invoiced between the Eligibility Date and the Project Completion Date, which the Recipient has paid, and that the Recipient has completed the Project, in accordance with Schedule C – *Claims and Reporting Requirements*. The Recipient must be able to demonstrate, at the request of the Minister, that all Eligible Supported Costs claims by the Recipient have effectively been paid by the Recipient by monetary payment.

6.4. Payment Procedure

6.4.1 The Minister will review and approve the documentation submitted by the Recipient following the receipt of the Recipient's claim, and will notify the Recipient of any deficiency in the documentation submitted. The Recipient shall immediately take action to address and rectify any deficiencies identified.

6.4.2 Subject to the maximum Contribution amount set forth in subsection 3.1(a) and all other terms and conditions of this Agreement, the Minister will pay to the Recipient the Eligible Supported Costs set forth in the Recipient's claim.

6.4.3 All requests for payment by the Recipient must be accompanied by any other information, explanations and/or supporting documentation related to the Project and/or in support of the claim as may be requested by the Minister, from time to time.

6.4.4 The Minister may require that any claim submitted for payment of any amount of the Contribution be certified by the Recipient's external auditors or by an auditor approved by the Minister, at the Recipient's expense.

6.4.5 Upon the request of the Recipient, the Minister may, at their discretion, make payments to the joint order of the Recipient and a supplier of goods and services.

6.5. Holdback

Notwithstanding any other provision of this Agreement, the Minister may withhold up to 10% of the Contribution amount until:

- a) the Project is completed to the satisfaction of the Minister;
- b) the Final Results Report has been submitted to the satisfaction of the Minister;
- c) audits, where required by the Minister have been completed to the satisfaction of the Minister; and
- d) the Minister has approved the final claim described in section 6.3 of this Agreement.

6.6. Overpayment

The Recipient shall repay the Minister any amount that constitutes an Overpayment within thirty (30) days of receiving written notification by the Minister. Until such Overpayment is repaid, it will constitute a debt due to His Majesty the King in Right of Canada. At the Minister's discretion, the Minister may offset any Overpayment from subsequent payments of the Contribution or from the amount withheld as a holdback. Interest on the Overpayment will be charged in accordance with the *Interest and Administrative Charges Regulations*.

6.7. Percentage of the total Eligible Supported Costs of the Project

If the Minister makes individual payments that represent a higher percentage of the total Eligible Supported Costs than the percentage authorized for the total Contribution, the overall Contribution must in no case exceed the maximum authorized percentage of the total Eligible Supported Costs of the Project as provided in subsection 3.1 a.

6.8. Payable at Year End (PAYE) Set-Up

On or before the end of each Fiscal Year, the Recipient shall provide the Minister with forms prescribed by the Minister in accordance with Schedule C – *Claims and Reporting Requirements* that must be completed and certified by the Recipient and must include a year-end estimate of the Contribution amount that will be requested for reimbursement of Eligible Supported Costs incurred or to be incurred up to March 31st of the current Fiscal Year so that funds for that Fiscal Year can be set-aside for the reimbursement of Eligible Supported Costs incurred for that year.

The Minister may require that such forms be accompanied by other information, explanation and/or documentation related to the Project, the year-end estimate of the Eligible Supported Costs, as it deems appropriate.

7. PROGRESS, PERFORMANCE AND FINANCIAL REPORTING

7.1. Data Collection

The Recipient shall ensure that appropriate data collection processes are in place to enable the capture and reporting of data necessary to complete the reports and/or forms in accordance with Schedule C – *Claims and Reporting Requirements*.

7.2. Progress Activity Reports

The Recipient shall provide to the Minister a Progress Activity Report in accordance with Schedule C – *Claims and Reporting Requirements*, to the satisfaction of the Minister, no later than thirty (30) days following each claim period, such claim period shall be determined by the Minister.

7.3. Final Results Reports

The Recipient shall provide the following reports, to the satisfaction of the Minister:

- a) a Final Results Report in accordance with Schedule C – *Claims and Reporting Requirements*, for all projects reporting results achieved between the Project Start Date and the Project Completion Date, no later than ninety (90) days after completing the Project; and
- b) a Two-Year Follow-up Results Report in accordance with Schedule C – *Claims and Reporting Requirements*, for projects that forecast additional outcomes beyond the Project Completion Date, no later than two-year after the Project Completion Date.

7.4. Financial Statements

The Recipient shall provide the Minister with a copy of the Recipient's financial statements (audited if produced or if requested by the Minister) within one hundred and twenty (120) days of the Recipient's fiscal year end, or at any other time upon request by the Minister for the duration of the Term of the Agreement.

7.5. Supplementary Information

The Minister may, at any time, request supplementary information relating to any aspect of the Project, including but not limited to, financial management, expenditures, funding and investments, and performance measurement.

8. COMPLIANCE WITH LEGISLATION, POLICIES AND REGULATIONS

8.1. Compliance with Laws

The Recipient shall comply with all federal, provincial, territorial, municipal and other applicable laws governing the Recipient and the Project, including but not limited to, statutes, regulations, by-laws, rules, ordinances and decrees.

8.2. Environmental Assessments

8.2.1 The Recipient shall comply with all federal environmental laws applicable to the Project, including the provisions of the Impact Assessment Act (IAA).

8.2.2 If, within the term of this Agreement, the Project becomes in whole or in part a “project” carried out on federal land or outside of Canada according to the IAA, the Parties agree that the Minister’s obligations under this Agreement will be suspended until:

- a) a determination indicating that the carrying out of the Project is not likely to cause significant adverse environmental effects by the Minister or another authority referred in the IAA;

or

- b) if the carrying out of the Project is likely to cause significant adverse environmental effects, a decision of the Governor in Council indicates that those effects are justified in the circumstances.

8.2.3 If, within the term of the Agreement, the Project becomes a “designated project” according to the IAA, the Parties agree that the Minister’s obligations under this Agreement will be suspended until:

- a) the Impact Assessment Agency of Canada makes a decision that no impact assessment of the Project is required and publishes that decision including posts on its Internet site;

or

- b) the decision statement with respect to the Project that is issued to the Recipient indicates that the adverse effects within federal jurisdiction or adverse direct or incidental effects are not likely to be significant or are justified in the public interest;

8.2.4 The Minister may evaluate the need to modify or terminate the Agreement if any Project or part of the Project may not be completed in accordance with IAA.

8.2.5 If the Minister decides to terminate the Agreement pursuant to subsection 8.2.4 of this Agreement, the Minister will provide a written notice of fifteen (15) days to the Recipient. Following such termination, no further Contribution will be disbursed under this Agreement, the Recipient may be required to repay any Contribution that has been made by the Minister and the Minister will not be liable for any direct, indirect, consequential, exemplary, or punitive damages, regardless of the form of action, whether in contract, tort, or extra-contractual liability, or otherwise, arising from the termination.

9. DEFAULT AND REMEDIES

9.1. Default

The following constitutes events of default:

- a) the Recipient neglects or fails to pay to the Minister any amount due in accordance with this Agreement;
- b) the Project is not completed, to the satisfaction of the Minister, by the Project Completion Date or the Project is abandoned in whole or in part;
- c) the Recipient is, in the opinion of the Minister, insolvent or bankrupt, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- d) an order is made or a resolution is passed for the winding-up of the Recipient or the Recipient is dissolved;
- e) the Recipient submits false or misleading information to the Minister;
- f) the Recipient has, in the opinion of the Minister, ceased to carry on business or has sold all or substantially all of its assets;
- g) the Recipient has not, in the opinion of the Minister, met or satisfied a term or condition of this Agreement;
- h) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with His Majesty the King in Right of Canada;
- i) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the assets of the Recipient;
- j) the Recipient is no longer eligible under the “eligibility criteria” of the Program;
- k) the Recipient makes a false or misleading statement concerning support by the Minister in any internal and/or public communication; or
- l) the Project is carried out at locations, other than those mentioned in Schedule A – *Statement of Work*.

9.2. Remedies

If an event of default has occurred or, in the opinion of the Minister is likely to occur, the Minister may exercise one or more of the following remedies, in addition to any other remedies available at law or equity:

- a) suspend any obligation by the Minister to make a payment under this Agreement, including any obligation to pay any amount owing prior to the date of such suspension;

- b) terminate this Agreement, including any obligation by the Minister to make any payment under this Agreement, including any amount owing prior to the date of such termination;
- c) require the Recipient to repay the Minister all or part of the Contribution paid by the Minister to the Recipient under this Agreement, together with interest from the day of demand at the Interest Rate.

9.3. Non-Waiver

The fact that the Minister refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Minister in any way from later exercising any other right or remedy under the Agreement or other applicable law.

9.4. Policy Objective

The Recipient acknowledges that, in the view of the policy objectives served by the Minister's agreement to make the Contribution, the fact that Contribution comes from public monies and that the amount of damages sustained by the Crown in an event of default is difficult to ascertain, it is fair and reasonable that the Minister be entitled to exercise any or all of the remedies provided for in this Agreement and to do so in the manner provided for in this section, if an event of default occurs.

10. AUDIT AND EVALUATION

10.1. Recipient Audit

The Recipient agrees that the Minister may conduct periodic audits of the Recipient's compliance with the terms and conditions of this Agreement, including without limitation, compliance with the financial provisions. The Recipient shall, at its own expense, preserve and make available for audit and examination by the Minister all books, accounts and records of the Project, the Recipient's administrative, financial and claim processes and procedures, and any other information necessary. The Minister shall have the right to conduct such audits as the Minister considers necessary using internal audit staff or auditors selected by the Minister.

10.2. Auditor General Rights

The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.

The Auditor General may discuss any concerns raised in such an inquiry with the Recipient and with the Minister. The results may be reported to Parliament in a report of the Auditor General.

10.3. Audits and Evaluations Carried Out by the Recipient.

The Recipient shall provide the Minister with a copy of the report of any audit, evaluation or review carried out by the Recipient, related to the Project or the use of the Contribution.

11. INFORMATION MANAGEMENT, RETENTION AND ACCESS

11.1. Records Retention and Access

The Recipient shall keep and maintain books of account and other records in which all receipts, disbursements, costs and activities in relation to the Project are recorded in a segregated fashion, and in a manner which shall demonstrate the application of the Contribution received from the Minister to reimburse Eligible Supported Costs. The Recipient shall establish and maintain sound financial and management practices that will ensure the Contribution is expended in accordance with the terms and conditions of this Agreement.

The Recipient shall provide the Minister promptly, at no charge and in the form requested, with any information associated with the Project or its financial situation and provide the Minister with access at any time to its books, records, ledgers and documents, wherever they are kept, so that the Minister can make checks as it deems necessary.

11.2. Access to Premises

The Recipient shall provide the Minister reasonable access to the Recipient's premises and those of any third parties, and any premises where the Project is being carried out in order to review Project records and assess the progress of the Project and the Recipient's compliance with the terms and conditions of this Agreement.

11.3. Disclosure

This Agreement and all information obtained by the Minister in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the Access to Information Act and the Privacy Act, as applicable.

The Recipient acknowledges and agrees that the Minister will proactively publish information regarding this Agreement in accordance with the Access to Information Act, as amended from time to time.

Notwithstanding the foregoing, the Recipient waives any confidentiality rights to the extent such rights would impede His Majesty the King in Right of Canada from fulfilling its notification obligations to a world trade panel for the purposes of the conduct of a dispute, in which His Majesty the King in Right of Canada is a party or a third party intervener. The Minister is authorized to disclose the contents of this Agreement and any documents pertaining thereto, whether predating or subsequent to this Agreement, or of the transactions contemplated herein, where in the opinion of the Minister, such disclosure is necessary to the defense of His Majesty the King in Right of Canada interests in the course of a trade remedy investigation conducted by a foreign investigative authority, and is protected from public dissemination by the foreign investigative authority.

11.4. Information Sharing

The Minister is authorized to undertake any consultation or verification, including without limitation with any person, suppliers, financial institutions, institutions, accounting firms, non-profit economic development organizations, funding agencies, credit agencies and/or any federal, provincial or municipal government departments/agencies, in order to obtain or provide any information and documentation, for among others, the auditing, assessment, analysis and evaluation of the Recipient, of the Recipient's performance of its contractual obligations, of the Project and of this Agreement, reporting purposes, and the administration of the Program. The Recipient agrees to have the contacted parties disclose any requested information and documentation to the Minister. The Minister is also authorized to disclose the information and documentation it has about the Recipient and the Project to the persons and entities mentioned above.

11.5. Confidentiality

The Recipient represents that any information which the Recipient has obtained in confidence from any third party, or any personal information contained in any records, information, audit and evaluation and other reports provided to the Minister under the terms of this Agreement, was obtained with the consent of the third party or individual consent.

12. PUBLIC COMMUNICATION

12.1. Public Dissemination

The Minister has the right to release to the public, table before Parliament and publish by any means, any reports and other information the Minister has the right to receive or to produce in accordance with this Agreement (hereinafter referred to as "Information") as well as such excerpts or summaries of the Information as the Minister may, from time to time, decide.

12.2. Public Recognition

The Recipient hereby agrees to place federal government logos on all Project-related promotional or advertising materials (unless prior exemption is obtained from the Minister) including, but not limited to, electronic media (web, television, video), and print media (print advertising, brochures, magazines, maps, posters). In addition, the Recipient may be required to produce and display recognition signage. The Recipient agrees to satisfy the federal visibility and signage requirements which can be found in the Visibility guidelines and communication requirements section of the FedNor website:

<https://fednor.canada.ca/en/acknowledgement>, located under Resources and Tools.

12.3. Public Announcement

The Recipient hereby consents to participate in a public announcement of the Project by or on behalf of the Minister in the form of a news release and/or media event. The Minister shall inform the Recipient of the date the public announcement is to be made, and the Recipient shall maintain the confidentiality of this Agreement until such date. The Recipient agrees to satisfy the event/announcement requirements which can be found in the Visibility guidelines and communication requirements section of the FedNor website:

<https://fednor.canada.ca/en/acknowledgement>, located under Resources and Tools.

13. OFFICIAL LANGUAGES

The Recipient may carry out the Project in the official language of the Recipient's choice.

14. REPRESENTATIONS, WARRANTIES AND ADDITIONAL COVENANTS

14.1. Representations and Warranties

- a) The Recipient represents and warrants that no member of the House of Commons or Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising from it, that are not otherwise available to the general public.
- b) The Recipient confirms that no current or former public servant or public office holder, to whom the *Values and Ethics Code for the Public Sector*, the *Policy on Conflict of Interest and Post-Employment* or the *Conflict of Interest Act* applies, shall derive direct benefit from the Agreement, including any employment, payments or gifts, unless the provision or receipt of such benefits is in compliance with such codes and the legislation.
- c) The Recipient represents and warrants that it has not paid, nor agreed to pay nor will it pay or agree to pay to any person, either directly or indirectly, a commission, fee or other consideration that is contingent upon the execution of this Agreement, or upon the person arranging a meeting with a public office holder.
- d) The Recipient or any persons who are, have been or may be engaged by the Recipient to communicate or arrange meetings with public office holders, regarding the Project or this Agreement, are in compliance with the Lobbying Act.
- e) The Recipient represents and warrants that it is duly constituted and in good standing under all applicable laws.
- f) The Recipient represents and warrants that it has the requisite power and authority, and has met all legal requirements, necessary to carry on its activities, to hold property, and to enter into, deliver and perform this Agreement.
- g) The Recipient represents and warrants that the entering into, delivery and performance of this Agreement, and its execution by the signatory, have been duly and validly authorized and when executed and delivered, this Agreement will constitute a legal, valid, and binding obligation of the Recipient enforceable in accordance with its terms.
- h) The Recipient represents and warrants that the execution and delivery of this Agreement, and the performance by the Recipient of its obligations hereunder will not:
 - i) violate any provisions of the Recipient's by-laws, any other governance document subscribed to by the Recipient, or any resolution of the Recipient;
 - ii) violate any judgment, decree, order or award of any court, government Minister, regulatory authority or arbitrator; or
 - iii) conflict with or result in the breach or termination of any material term or provision of, or constitute a default under, or cause any acceleration under, any contract, agreement or any other instrument by which it is bound.

- i) The Recipient represents and warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings which could or would prevent compliance with this Agreement. The Recipient shall advise the Minister forthwith of any such occurrence during the term of the Agreement.
- j) The Recipient represents and warrants that it has acquired property and general liability insurance that is consistent with the level of risk exposure associated with the Project.
- k) The Recipient represents and warrants that it will ensure the benefits of the Project are accrued in Northern Ontario. The Northern Ontario region is identified on the FedNor website: www.fednor.gc.ca.
- l) The Recipient hereby certifies that all information, representations, consents, authorizations and certifications that form part of or were provided in support of the Recipient's application for assistance for this Project, including, without limitation, all schedules, project plans and attached documents, are, as of the date of execution of the Agreement, true and correct in all material respects and remain valid and binding on the Recipient. The Recipient undertakes to advise the Minister of any changes during the Term of this Agreement that materially affect any such information, representations, consents, authorization and certifications.

14.2. Additional Covenants

In addition to its other covenants and obligations in this Agreement, the Recipient covenants and agrees to:

- a) take all necessary action to maintain itself in good standing with respect to all legal requirements necessary to hold property, and to carry out the Project and perform all obligations under this Agreement, and to preserve its legal capacity, during the term of this Agreement;
- b) promptly inform the Minister forthwith of any fact or event that would or might compromise the Project or prevent compliance with this Agreement, including but not limited to, any actions, litigation, proceeding, complaints; and
- c) maintain and comply with all licenses, permits and registrations required or appropriate to conduct the Project;

14.3. Material Change

No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Minister. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or Government Financial Assistance. When consent is requested from the Minister in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Minister, at their discretion.

15. INDEMNIFICATION AND LIMITATION OF LIABILITY

15.1. Indemnification

The Recipient shall at all times indemnify and save harmless, His Majesty the King in Right of Canada, his or her officials, employees and agents, from and against all claims and demands, losses, costs, damages, actions, suits or other proceedings (including, without limitation, those relating to injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights) by whomsoever brought or prosecuted, or threatened to be brought or prosecuted, in any manner based upon or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights, caused by, or arising directly or indirectly from:

- a) the Project, its operation, conduct or any other aspect thereof;
- b) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warranty of this Agreement by the Recipient, its officers, employees and agents, or by a third party or its officers, employees, or agents;
- c) the design, construction, operation, maintenance and repair of any part of the Project; or,
- d) any omission or other willful or negligent act or delay of the Recipient or a third party and their respective employees, officers, or agents.

15.2. Liability

Without limiting the generality of the foregoing, His Majesty the King in Right of Canada shall not be liable for any direct, indirect, special or consequential damages, or damages for loss of revenues or profits of the Recipient, regardless of however arising, whether in contract, tort, fiduciary duty, statute or otherwise.

His Majesty the King in Right of Canada, her agents, employees and servants will not be held liable in the event the Recipient enters into a loan, a capital or operating lease or other long-term obligation in relation to the Project for which the Contribution is provided.

16. INTELLECTUAL PROPERTY

16.1. Intellectual Property

The Recipient shall have all rights required to carry out the Project, as described in Schedule A, for the duration of this Agreement. The Recipient also undertakes to protect all the intellectual property that it possesses or will acquire during this Agreement. Finally, the Recipient undertakes not to sell, assign, transfer or otherwise dispose of intellectual property without the prior written consent of the Minister.

17. TERMINATION

The Minister may terminate this Agreement at any time without cause, by providing the Recipient with reasonable written notice specifying the effective date of termination. Upon receipt of the termination notice, the Recipient agrees to promptly take all reasonable and necessary steps to minimize and mitigate the accumulation of Eligible Supported Costs during the notice period.

Subject to the maximum amount of the Contribution and the terms, conditions, and limitations of this Agreement, the Minister will reimburse the Recipient for Eligible Supported Costs reasonably incurred by the Recipient up to the effective date of termination, including any reasonable costs directly attributable to the termination of the Agreement.

The Recipient agrees that it will not be entitled to any compensation, indemnity, loss of profit, or any other form of damages in relation to the termination of the Agreement or the related notice given by the Minister in accordance with this section 17.

18. GENERAL PROVISIONS

18.1. Assignment

The Recipient shall not assign this Agreement or any part thereof, without the prior written consent of the Minister. Any attempt by the Recipient to transfer or assign any part of this Agreement, or the rights, duties or obligations of this Agreement, without the Minister's express written consent is void.

18.2. Dispute Resolution

If a dispute arises concerning the application or interpretation of this Agreement, the Parties will attempt to resolve the matter through good faith negotiation, and may, if necessary and the Parties consent in writing, resolve the matter through mediation by a mutually acceptable mediator. Pending resolution, all payments and other obligations related to the issue in dispute will be suspended.

18.3. Disposition of Assets

Without limiting the generality of the section 14.3 on Material Changes, the Recipient shall retain title and control to, and ownership of any assets, necessary for the Project and the Recipient's normal activities and shall not sell, assign, transfer, encumber, pledge, grant a security interest or otherwise dispose of same, unless:

- a) the Recipient has obtained the prior written consent of the Minister, on such conditions as the Minister may determine; or
- b) the asset was acquired at a cost less than \$1,000; or
- c) the asset is worn or outdated and is sold, transferred or disposed of in order to be replaced and the proceeds of sale of the asset are used for the acquisition of the replacement.

18.4. Debt due to His Majesty the King in Right of Canada

Any amount owed to the Minister under this Agreement will constitute a debt due to His Majesty the King in Right of Canada and will be recoverable as such. Unless otherwise specified herein, the Recipient agrees to make payment of any such debt within thirty (30) days of receiving written notification by the Minister.

Debts due to His Majesty the King in Right of Canada will accrue interest in accordance with the *Interest and Administrative Charges Regulations*.

When any payment is received or a prepayment of a repayment installment, an Overpayment, a disposal of asset or an event of default, the Minister shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

18.5. Set-Off

Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Minister may:

- a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to His Majesty the King in Right of Canada under legislation or any other agreement of any kind; and
- b) set-off against any amounts that are owed to the Minister by the Recipient, any amount that is payable by His Majesty the King in Right of Canada under legislation or any other agreements of any kind to the Recipient.

18.6. Binding Effect

This Agreement is binding upon the Parties, their successors and permitted assignees.

18.7. Amendment

No amendment to this Agreement shall be effective unless it is made in writing and signed by the Parties hereto.

18.8. Relationship with the Minister

No provision of this Agreement or action by the Parties will establish or be deemed to establish any partnership, joint venture, principal-agent or employer-employee relationship in any way, or for any purpose, between the Minister and the Recipient, or between the Minister and any third party. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of the Minister and that the Recipient shall not represent itself as an agent, employee, partner, crown agent or representative of the Minister or of His Majesty the King in Right of Canada.

18.9. Severability

If for any reason a provision of this Agreement that is not a fundamental term of the agreement between the Parties is found to be or becomes invalid or unenforceable, whether in whole or in part, it shall be deemed to be severable and shall be deleted from this Agreement, and all remaining terms and conditions of this Agreement will continue to be valid and enforceable.

18.10. Tax

The Recipient acknowledges that financial assistance from government programs may have tax implications and that advice should be obtained from a qualified tax professional.

18.11. Notice

Any notice, information or document provided under this Agreement should be delivered electronically through the FedNor Portal (<https://fednor.canada.ca/en/apply-now>) or email. Alternatively notice may also be delivered or sent by any pre-paid method, including regular or registered mail, and courier. Notice will be considered as received: the same day it is submitted on the FedNor Portal or email; one (1) Business Day after delivery by the courier and registered mail; or five (5) Business Days after mailing provided that no message indicating that the notice was undeliverable is received.

Any notice to the Minister should be directly through the FedNor Portal, by email, or sent to the following:

The Federal Economic Development Agency for Northern Ontario (FedNor)
Attn: Candice Flannigan
19 Lisgar Street, Suite 307
Sudbury, Ontario
P3E 3L4

Candice.Flannigan@FedNor.gc.ca

Any notice to the Recipient will be delivered through the FedNor Portal, by email or sent to the following:

Corporation of the Town of Latchford

Attn: Malorie Robinson
10 Main Street, Highway 11
LATCHFORD, ON
P0J 1N0

mrobinson@latchford.ca

18.12. Applicable Laws

This Agreement will be governed by, and is to be interpreted in accordance with, the applicable federal laws and the laws in force in Ontario and the Parties hereto acknowledge the jurisdiction of Courts of Ontario.

18.13. Joint and Several Obligations

Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

18.14. Counterparts

This Agreement may be signed in counterparts, each of which when executed and delivered shall constitute one and the same document; these counterparts taken together shall constitute one and the same Agreement. The executed Agreement shall be delivered electronically through the FedNor Portal or by email. The signatures on the said copy delivered will bind the Parties as if a copy with original signatures had been delivered. However, the Recipient must provide the Minister with the original as soon as the Minister requests it in accordance with section 19 of this Agreement.

19. ACCEPTANCE AND SIGNATURES

The Agreement has been drafted in one original copy and shall come into force upon receipt by the Minister of a copy signed and delivered electronically through the FedNor Portal or email by the Recipient within sixty (60) days of the date on which the Agreement was sent, failing which it shall become null and void. The Recipient shall execute the Agreement by wet signature and shall scan the Agreement to deliver it electronically on the FedNor Portal or email. The signatures on the said copy delivered will bind the Parties as if a copy with original signatures had been delivered. The Recipient must retain the wet-signed copy of the Agreement for the entirety of its term, and must provide it to the Minister upon its request.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement by their duly authorized representative:

**THE MINISTER OF EMPLOYMENT AND SOCIAL DEVELOPMENT, REFERRED TO AS
MINISTER OF JOBS AND FAMILIES AND MINISTER RESPONSIBLE FOR THE
FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR NORTHERN ONTARIO**

Per: _____

CORPORATION OF THE TOWN OF LATCHFORD

Date: _____, 20____
(Insert date of signature)

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

Date: _____, 20____
(Insert date of signature)

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

SCHEDULE A
STATEMENT OF WORK
Corporation of the Town of Latchford

PROJECT DESCRIPTION

The completion of a comprehensive municipal Waterfront Strategic Plan.

PROJECT LOCATION

LATCHFORD, ON

PROJECT DATES

The Recipient shall start the Project by the Project Start Date.

The Recipient shall have completed the project, to the satisfaction of the Minister, by the Project Completion Date.

WORKPLAN ACTIVITIES, TIMELINES AND MILESTONES

The Waterfront Strategic Plan will be completed over an 8–10-month period, allowing time for procurement, seasonal engagement, and thorough analysis.

Phase 1: Project Initiation & Procurement (Months 1–2)

The Town will issue a Request for Proposals (RFP), evaluate submissions, and retain a qualified consultant in accordance with municipal procurement policies. A project kick-off meeting will confirm scope, timelines, and deliverables.

Milestone: Consultant retained and project launched.

Phase 2: Background Review & Data Collection (Months 2–3)

The consultant will review existing plans, policies, and available data, and complete a site analysis of the waterfront. Key constraints and opportunities, including infrastructure and environmental considerations, will be identified.

Milestone: Baseline conditions summary completed.

Phase 3: Community & Stakeholder Engagement (Months 3–5)

Public engagement will include community meetings, surveys, and stakeholder discussions with residents, businesses, and regional partners.

Milestone: Engagement summary and key themes identified.

Phase 4: Visioning & Concept Development (Months 5–7)

A draft vision, guiding principles, and development concepts will be prepared, including preliminary land use options and design ideas.

Milestone: Draft Strategic Plan completed.

Phase 5: Review & Refinement (Months 7–8)

The draft plan will be presented to the public and Council for feedback. Revisions will be made based on input received.

Milestone: Final draft prepared.

Phase 6: Finalization & Adoption (Months 8–10)

The final plan, including an implementation strategy and potential funding opportunities, will be presented to Council for approval.

Milestone: Plan adopted by Council.

No permits are required for the planning phase; however, regulatory considerations will be identified for future projects.

PERFORMANCE MEASURES AND TRACKING PLAN

The Waterfront Strategic Plan will position the Town of Latchford for long-term economic growth by identifying opportunities to enhance tourism, attract investment, and support local businesses. By creating a clear vision and development roadmap, the plan will improve the municipality's ability to secure external funding and private sector interest.

Improved waterfront amenities and infrastructure will increase visitation to Bay Lake, supporting local retailers, accommodations, and service providers. The plan will also identify opportunities for new business development, events, and recreational activities that generate revenue and employment.

In addition, a well-developed waterfront typically contributes to increased property values and assessment growth, strengthening the municipal tax base over time. Overall, the project will serve as a catalyst for sustainable economic development and community prosperity.

PROJECT BUDGET

<u>Project Costs</u>		<u>Financing</u>	
Eligible Costs		Minister	\$81,000
Supported	\$90,000	Other Federal	
Not Supported	\$0	Other Federal tax	
Ineligible Costs	\$0	Provincial	
		Provincial tax	
		Municipal	
		Recipient	\$9,000
		Other	
Total	\$90,000		\$90,000

<u>Cost Items</u>	<u>Details</u>	<u>Minister's Rate of Assistance (%)</u>	<u>Eligible Supported Costs</u>	<u>Eligible Not- Supported Costs</u>	<u>Ineligible Costs</u>	<u>Total Costs</u>
Strategic plan	Waterfront Development Plan - Professional Consulting Fees, Design and Concept Development	90.00	\$90,000			\$90,000
Total			\$90,000	\$0	\$0	\$90,000

<u>Financing Source(s)</u>	<u>Financing Details</u>	<u>Total Financing</u>
Recipient	Recipient contribution	\$9,000

SCHEDULE B

COSTING MEMORANDUM

1. GENERAL PRINCIPLE

The Eligible Costs shall be the direct costs which, in the opinion of the Minister, are reasonably and properly incurred or allocated, to the performance of the Project, less any applicable credits as defined below. The Recipient's cost accounting system should establish an audit trail that supports all Eligible Costs claims, as described below.

2. ELIGIBLE COSTS

Costs are Eligible Costs for the purposes of this Agreement only if they are, in the opinion of the Minister:

- a) directly related to the Project;
- b) reasonable;
- c) appear in "Schedule A - *Statement of Work*"; and
- d) incurred in respect of activities which are Incremental to the usual activities of the Recipient.

3. INELIGIBLE COSTS

For greater certainty, any costs that do not qualify as Eligible Costs in accordance with section 2 of this Schedule, shall be ineligible.

By way of example, Ineligible Costs include, but are not limited to, the following:

- a) The purchase of any assets for more than the fair market value of the said asset;
- b) refinancing;
- c) costs of intangible assets such as goodwill, whether capitalized or expensed;
- d) depreciation or amortization expenses;
- e) interest on invested capital, bonds, debentures, or mortgages;
- f) losses on investments, bad debts and any other debts;
- g) fines or penalties;
- h) costs related to litigation;
- i) fees for administrators, including payments to any member or officer of the Recipient's Board of Directors;
- j) opportunity costs;
- k) hospitality and entertainment costs;
- l) dues and other membership costs (e.g. professional designations);
- m) Land acquisition; and
- n) lobbyist fees.

4. VARIANCE OF COSTS

Variance of any Eligible Supported Costs listed in Schedule A –*Statement of Work* in excess of 15% requires the prior written approval of the Minister.

5. GOODS AND SERVICES TAX OR HARMONIZED SALES TAX

Only that portion of the Goods and Services Tax or the Harmonized Sales Tax which is not refundable by Canada Revenue Agency as an Input Tax Credit or as a Rebate can be claimed as an Eligible Cost. Only that portion of the Provincial Sales Tax which is also not refundable by the respective provincial tax authority can be claimed as Eligible Cost.

6. REASONABLE COSTS

An Eligible Supported Cost is reasonable if the nature and amount do not exceed what would be incurred by an ordinary prudent person in the conduct of a competitive business.

In determining the reasonableness of particular cost, consideration will be given to:

- a) whether the cost is considered normal and necessary for the conduct of the Recipient's business or performance of the Project;
- b) the restraints and requirements of such factors as generally accepted sound business practices, arm's length bargaining, federal, provincial and local laws and regulations and Agreement terms;
- c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, the Government and public at large;
- d) significant deviations from the established practices of the Recipient which may unjustifiably increase the Eligible Costs; and
- e) the specifications, delivery schedule and quality requirements of the particular Project as they affect costs.

An Eligible Supported Cost claimed must reflect the actual cost incurred by the Recipient and not include any allocation for profit (i.e. mark-up).

7. CALCULATION OF DIRECT LABOUR COSTS

The Recipient may claim only the time worked directly on the Project by its employees and may not claim for indirect time, non-project related time, holidays, vacation, paid sickness, etc. Paid overtime, where considered reasonable in the opinion of the Minister, may be claimed.

The payroll rate is the actual gross pay rate for each employee (normal remuneration before deductions). The payroll rate excludes all premiums (e.g., overtime), shift differentials and any reimbursement or benefit conferred in lieu of salaries or wages except as noted in the last paragraph.

Employment benefits, such as the employer's portion of the Ontario Workplace Safety and Insurance Board (WSIB), statutory benefits (e.g., Canada Pension Plan (CPP), Employment Insurance (EI) and vacation) and discretionary benefits (i.e., dental, extended health, disability and life insurance, pension plans, holiday and paid leave) may not normally exceed 20% of direct labour costs.

8. CONTRACTOR/CONSULTANTS

Save as herein provided, the direct costs of studies and/or services carried out by a private contractor, consultant or Canadian University or Research Institute are eligible.

Where a contractor or consultant is to be used, prior consultation with the Minister is advised to ensure that the costs for these services are eligible. The Minister may not contribute to the cost of goods or services that are not, in the opinion of the Minister, provided by an entity who is at arm's length from the Recipient.

The contractor or consultant shall not acquire any rights to the product or process developed as a result of services provided.

9. DIRECT MATERIALS

Eligible Costs includes the net price of any purchase, directly related to the Project, after deducting all trade discounts.

10. CREDITS

The applicable portion of any income from interest, rebate, allowance, or any other credit relating to any applicable Eligible Costs, received by or accruing to the Recipient, will be credited to the Project and the Eligible Costs to be reimbursed under this Agreement.

11. SPECIAL PURPOSE EQUIPMENTS

Eligible Costs can include equipment that is acquired or constructed exclusively for use in the Project that is not normal to operations, and specifically identified in this Schedule A – *Statement of Work*. Eligible Costs will be net of trade discounts; where the equipment is leased, costs net of interest and carrying costs are eligible.

12. RELATED PARTIES

Costs of goods or services (including labour) acquired from related parties to the Recipient, must be valued at the cost incurred by the related party and shall not include any mark up for profit and shall not exceed fair market value. The Minister might not consider the eligibility of any of these costs unless access is provided to the relevant records of the related party.

13. TRAVEL

Eligible travel costs are those which are deemed necessary to the performance of the Project. To be eligible, travel costs must be clearly documented as to the purpose of each trip. Eligible travel expenses shall include reasonable costs incurred at economy rates.

Where a personal automobile is to be used, kilometer (mileage) rate will be based on current National Joint Council Travel Rates and Allowances (<http://www.njc-cnm.gc.ca/s3/en>).

Actual costs at the destination will be allowed for food, accommodation and surface transportation (taxis, etc.). Meal rates will be based on current Treasury Board of Canada Travel Directives. Entertainment costs, including alcohol as per the National Joint Council Travel Directive (<https://www.njc-cnm.gc.ca/directive/d10/en>), are not eligible.

For auditing and records keeping purposes, all receipts are to be kept for all Project activities.

SCHEDULE C

CLAIMS AND REPORTING REQUIREMENTS

1. CLAIMS

The Recipient shall submit the following claims forms and/or report(s) in accordance with sections 6 and 7 of the Agreement:

1.1. Prior to the Initial Claim

The Recipient shall provide the following completed form before submitting the initial claim in accordance with this Agreement:

- a) Request for Payment by Electronic Deposit Interchange (EDI).

1.2. Authorized Official

The Recipient shall provide the following completed form when submitting the initial claim pursuant to this Agreement or when there is a change in the authorized officer:

- a) Recipient Claim Certificate.

1.3. Each Claim

The Recipient shall provide the following completed forms, or any other forms as prescribed by the Minister, when submitting claims pursuant to sections 6.1.2 and 7.1 of this Agreement:

- a) Claim Summary and/or Advance Claim Form;
- b) Cost Forecast;
- c) Detailed Transaction List;
- d) Progress Activity Report;
- e) Detailed Direct Labour Costs¹;
- f) Travel Costs²;
- g) Hospitality Costs³; and
- h) Capital Equipment Acquisition⁴.

1.4. Advance Payment

The Recipient shall provide the following completed forms when requesting an advance payment pursuant to section 6.2 of the Agreement:

- a) Claim Summary and/or Advance Claim Form, when requesting an advance payment; and

¹ Only applicable for projects with eligible supported labour costs.

² Only applicable for projects with travel costs.

³ Only applicable for project with hospitality costs.

⁴ Only applicable for projects with eligible supported capital equipment costs

- b) Cost Forecast.

1.5. Final Claim

In addition to the documents listed under section 1.3 above, the Recipient shall provide the following completed forms, or any other forms as prescribed by the Minister, with this final claim pursuant to sections 6.3 and 7.2 of this Agreement:

- a) a certification, by an authorized officer of the Recipient, that all the claims deal solely with Eligible Supported Costs incurred and invoiced between the Eligibility date and the Project Completion Date, which the Recipient has paid, and that the Recipient has completed the Project;
- b) Final Statement of Total Project Costs & Funding (Actual); and
- c) Final Results Report.

1.6. Payable at Year End (PAYE) Set-Up

The Recipient shall provide the following completed form on or before the end of each Fiscal Year pursuant to section 6.8 of the Agreement:

- a) Claim Summary and/or Advance Claim Form; and
- b) Detailed Transaction List.

1.7. Two-Year Follow-up Results Report

The Recipient shall provide the following report no later than forty-five (45) days following receipt of the report template pursuant to section 7.3 b):

- a) Final Results/Two year Follow-up Results Report.

Additional reporting requirements may be required by the Minister and will be provided to the Recipient, if necessary.

For copies of the forms/reports visit the FedNor website: <https://fednor.canada.ca/en/resources-and-tools/forms-and-templates> to view or download.