



Date: June 18<sup>th</sup>, 2014

Report To: Mayor and Council

From: Frank Sheppard, Fire Chief/ CEMC

Re: Host Community Contract

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The following report to Council is to outline our experience as a host community in 2014 and request that Council pass a resolution that supports the agreement as provided by Aboriginal Affairs and Northern Development Canada (AANDC). The basic terms of the agreement are to allow for cost recovery as a host community in accordance with the terms of the JEMS manual and to provide a mark up percentage for the host community. An additional consideration will be based on the initial cash flow request that we will make to AANDC for \$200,000.00 on receipt of the signed agreement. Final reconciliation of the costing will be completed at the convenience of the Municipality.

The terms of this agreement are consistent with the initial agreement that was developed two years ago with AANDC, and my recommendation to Council is to pass a resolution supporting this agreement, and return it to AANDC as soon as possible.

Respectfully submitted



Frank Sheppard  
Fire Chief/CEMC

<p><b>Council approval of this agreement will allow for the request for initial money to flow from AANDC in accordance with the terms of the agreement, and will allow us to reconcile billing for the most recent host community activity.</b></p>
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**FUNDING AGREEMENT**

**THE CORPORATION OF THE TOWN OF FORT FRANCES - 8065**

**2014**

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## Funding Agreement

### Between

**Her Majesty the Queen in Right of Canada,**

For the purposes of this Agreement, the Minister of Indian Affairs and Northern Development represents Her Majesty the Queen in Right of Canada.

This Agreement refers to this party to the Agreement as the

**"Government of Canada".**

### And

***THE CORPORATION OF THE TOWN OF FORT FRANCES, duly incorporated under the laws of Ontario.***

This Agreement refers to this party to the Agreement as the

**"Recipient".**

## Part 1 - The purpose and scope of the Agreement

### 1 The purpose of the Agreement

- 1.1 The Recipient wishes to undertake an initiative and receive funds from the Government of Canada to assist with the costs, and agrees to account for the use of all funds provided and the results achieved with these funds.
- 1.2 The Government of Canada wishes to provide funds to support the Recipient's identified objectives for the initiative.
- 1.3 This Agreement describes the rules that apply to the funding being provided for an initiative and the duties of the Recipient and the Government of Canada under this Agreement.

### 2 The parts that make up the Agreement

- 2.1 "Agreement" means:
  - (a) all the sections of this Agreement
  - (b) the Annexes that are part of this Agreement:
    - Annex 1 - Definitions of Words and Terms Underlined in the Agreement
    - Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND Funding
    - Annex 3 - Conditions of Payment - DIAND Funding
    - Annex 4 - Payment Plan
  - (c) any amendments to and notices under this Agreement that are made according to its terms.

### 3 The scope of the Agreement

- 3.1 This Agreement is the complete agreement between the parties and replaces all previous negotiations, agreements, commitments, written correspondence, and discussions between the Government of Canada and the Recipient about its subject matter.

### 4 Duration of the Agreement

- 4.1 Unless this Agreement ends early, the duration of this Agreement is from the **1st** day of **April, 2014** until the **31st** day of **March, 2015**.

## **Part 2 - Government of Canada funding**

### **5 Government of Canada funding**

- 5.1 The Government of Canada will make payments to the Recipient, according to the terms of this Agreement:
- (a) for the purpose(s) set out in Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND Funding;
  - (b) up to the maximum amounts set out in Annex 3 - Conditions of Payment - DIAND funding, and
  - (c) following the payment schedule in Annex 4 - Payment Plan.

### **6 Funding legislation and federal funding programs**

- 6.1 An obligation on the Government of Canada to make a payment under this Agreement is dependent on an appropriation of funds by the Parliament of Canada for the fiscal year in which the payment is to be made, regardless of any other provision in this Agreement.
- 6.2 Any federal department providing funding under this Agreement may change or end the funding when:
- (a) the Treasury Board of Canada changes or ends the funding program through which the funding is being provided
  - (b) the Minister presiding over that department changes or ends the funding program through which the funding is being provided, or
  - (c) the Parliament of Canada changes the funding levels of that department for the fiscal year in which the funding was to be provided.

### **7 Funds to be withheld - failure to file required reports**

- 7.1 The Government of Canada may withhold funds from the Recipient when the Recipient has not submitted, by the due date, any financial or other report required by this Agreement or by a predecessor funding agreement between the Recipient and a federal department providing funding under this Agreement. The default provisions of this Agreement may also apply.
- 7.2 The Government of Canada will pay the withheld funds to the Recipient within 45 days of the required reports being submitted by the Recipient and accepted by the Government of Canada, subject to the provisions on Overspending (section 16.1) and Overpayments owing to the Government of Canada (section 17.1).

## **Part 3 - Recipient duties**

### **8 General duties**

- 8.1 The Recipient must:
- (a) provide each program or service, or carry out each activity, according to the terms in Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND funding, and
  - (b) track the receipt and use of funds according to the terms in Annex 3 - Conditions of Payment - DIAND funding, and
  - (c) give notice (section 38, Notices in writing) promptly to any federal department that is providing over \$100,000 funding for an initiative under this Agreement when the Recipient receives funding assistance from any other federal department, or any provincial, territorial, or municipal government for the same initiative. DIAND may require the Recipient to pay back to DIAND any amount of DIAND funding that DIAND considers a duplication of funding from another source.

### **9 The use of Government of Canada funds**

- 9.1 The Recipient must use the funds provided by the Government of Canada for the eligible costs of each initiative described in Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND funding.
- 9.2 The Recipient must not loan any of the funds provided by the Government of Canada under this Agreement unless permitted to do so in an annex to this Agreement.

## 10 Record-keeping duties

- 10.1 The Recipient must keep financial records, including accounts, and non-financial records for each initiative.
- 10.2 The Recipient must maintain financial records in a way that substantiates the financial reports required under this Agreement. These records must also allow for audit as required by section 25.1 (Financial records to allow for audit).
- 10.3 The Recipient must store these financial and non-financial records, including all original supporting documentation, for 7 years. The 7 years start to run on the April 1st that follows the last fiscal year to which a record relates.

## 11 Reporting duties

- 11.1 By the reporting due dates set out in Annex 5 - Reporting Requirements and Due Dates - DIAND Funding, the Recipient must provide DIAND with:
  - (a) the financial reports required by the Reporting Guide for each fiscal year, or part of the year, that is within the time period covered by this Agreement, and
  - (b) any other required reports including those identified in Annex 5 - Reporting Requirements and Due Dates - DIAND Funding and described in the Reporting Guide or in Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND Funding.
- 11.2 The Recipient must also provide any other federal department that is providing funding under this Agreement with all the required reports identified in the annex relating to that funding.
- 11.3 The Recipient may request, in writing to the relevant funding department, **before** the due date, a deadline extension for providing a report required by the Agreement. The written request must explain the circumstances beyond the Recipient's control that prevent the Recipient from meeting the due date. The Government of Canada may agree to an extension and, if it so decides, will provide the Recipient with a written notice setting out the new due date.
- 11.4 The Government of Canada will notify the Recipient that it has received the Recipient's financial report within 30 days of receiving it.

## 12 Recipient accountability for the obligations in this Agreement

- 12.1 The Recipient may delegate obligations or transfer funds to an agency to carry out or manage all or part of an initiative funded under this Agreement. The Recipient remains accountable for the obligations in this Agreement and is responsible for making certain that the agency fulfills its contractual obligations to the Recipient.
- 12.2 When the Recipient delegates obligations or transfers funds to an agency, the Recipient must ensure that:
  - (a) the responsibilities, roles, and relationship between the agency and the Recipient are clearly stated
  - (b) the agency provides the Recipient with timely reports in a way that allows the Recipient to comply with the financial reporting and record-keeping requirements of this Agreement
  - (c) the agency consents to allow the Recipient to provide the Government of Canada with financial or other reports that the agency submits to the Recipient
  - (d) the agency will, upon request of auditor(s) or evaluator(s) employed or on contract to the Government of Canada
    - (i) provide them with access to all of its financial records and non-financial records, including supporting documentation, relating to any initiative which the agency is carrying out or managing for the Recipient
    - (ii) allow them to inspect these records and to make copies or extracts of these records unless that is prohibited by law
    - (iii) provide them with all necessary assistance including access to the agency's premises, and
    - (iv) direct any entity that has provided accounting or record-keeping services to the agency to provide them with copies of accounts and other records relating to any initiative that the agency is carrying out or managing, in whole or in part, for the Recipient,
  - (e) the agency maintains records relating to all or part of any initiative that the agency is carrying out or managing for the Recipient, including original supporting documents, and stores them for 7 years counting the time from the April 1st that follows the last fiscal year to which a document relates, and

- (f) there is a written contract between the Recipient and the agency, signed by each of their authorized representatives, that sets out, at a minimum:
  - (i) the obligations of the agency, including those relating to the Recipient's obligations under this Agreement which are set out in sections (a) to (e)
  - (ii) the understanding that the relationship between the Recipient and the agency does not and is not intended to create an agency, association, employer-employee, or joint venture relationship between the agency and the Government of Canada and that neither the Recipient nor the agency will suggest that it does
  - (iii) the agreement that the obligations in sections (c), (d), and (e) continue after the end of the contract between the agency and the Recipient; and
  - (iv) the permission to provide the Government of Canada with a copy of the contract between the agency and the Recipient.

## **Part 4 - Funding management**

### **13 Timing of payments for eligible costs**

- 13.1 Annex 4 - Payment Plan sets out the amounts and the timing of payments for the Recipient's eligible costs under this Agreement. The Recipient must use the funds provided for the purpose, in the amounts, and during the timeframe detailed in Annex 4.

### **14 Changes in funding needs or timing - no increase in maximum payable**

- 14.1 When the Recipient becomes aware that advance payments to be made for an initiative according to the schedule in Annex 4 - Payment Plan are no longer accurate and that there is a need for funds sooner or there will be a delay before some funds are required, the Recipient must notify the relevant funding department promptly and propose appropriate amendments to Annex 4. A change in the amount or timing of an advance payment may not increase the overall amount of funding for an initiative.
- 14.2 The relevant funding department will notify the Recipient of its acceptance or rejection of the proposed adjustment within 30 days. When the funding department agrees to make an adjustment, it will send a Notice of Cash Flow Adjustment to the Recipient and attach the appropriately amended Annex 4.

### **15 Changes in funding affecting the amount payable - adjustment factor**

- 15.1 When the amount of funding to be provided to the Recipient changes according to an adjustment factor set out in Annex 2 - Program, Services, and Activity Delivery Requirements and Adjustment Factors - DIAND Funding, the relevant funding department will send the Recipient a Notice of Budget Adjustment with the appropriately amended Annex 3 and Annex 4 - Payment Plan.

### **16 Overspending - Recipient's responsibility**

- 16.1 The Recipient is responsible for any expenses that the Recipient has incurred for an initiative which are more than the amount of funding provided for eligible costs under this Agreement.

### **17 Overpayments owing to the Government of Canada**

- 17.1 Any amount that the Recipient is required to pay back to the Government of Canada or that the Recipient otherwise owes to the Government of Canada is a debt due to the Government of Canada. The debt becomes payable when the Government of Canada notifies the Recipient of the debt. After giving this notice, the Government of Canada may set off the debt against any amount payable to the Recipient under this Agreement or any other agreement through which a federal department provides funding to the Recipient.
- 17.2 Without limiting the default (section 18) or termination (section 29) provisions of this Agreement, the Recipient must repay the Government of Canada any overpayment of funds provided to the Recipient according to the provisions in Annex 3 - Conditions of Payment - DIAND funding and Annex 4 - Payment Plan.



- 17.3 An overpayment may occur, for example, when:
- (a) the Recipient did not spend all the funds provided by the Government of Canada
  - (b) the Recipient did not spend funds on eligible costs during the fiscal year in which they were allocated to be spent and Annex 3 does not allow any other option
  - (c) the Recipient spent funds on an expense that is not an eligible cost, or
  - (d) the Government of Canada made an overpayment in error.
- 17.4 The Recipient may include payment of the debt due to the Government of Canada with its financial report identifying the overpayment.
- 17.5 The Government of Canada will charge interest on overdue amounts owing under this Agreement in accordance with the *Interest and Administrative Charges Regulations*, SOR/96-188, made under the *Financial Administration Act*.

## **Part 5 - Default under this Agreement**

### **18 Circumstances of default**

- 18.1 The Recipient is in default of this Agreement when:
- (a) the Recipient defaults on any of its obligations set out in this Agreement or in any other funding agreement with a federal department providing funding under this Agreement
  - (b) the Recipient's independent auditor gives a disclaimer of opinion or adverse opinion of the financial statements of the Recipient required under this Agreement or under any previous funding agreement between the Recipient and a federal department providing funding under this Agreement which required an independent audit
  - (c) a Minister representing the Government of Canada in this Agreement is of the opinion, after having reviewed the Recipient's financial reports and any other financial information, that the Recipient's financial position puts an initiative at risk, or
  - (d) The Recipient becomes bankrupt or insolvent, goes into receivership, takes the benefit of any statute relating to bankrupt or insolvent debtors, ceases operations, or ceases to be a corporation in good standing under the applicable laws of Canada or of a province or territory.

### **19 Commitment to communicate**

- 19.1 In the event that the Recipient is in default, the parties will communicate or meet to review the situation.

### **20 Remedies on default**

- 20.1 Despite section 19.1, in the event that the Recipient is in default of this Agreement, the Government of Canada may take one or more of the following actions:
- (a) require the Recipient to develop and implement a Management Action Plan within 60 calendar days, or within another time agreed to by the parties in writing
  - (b) require the Recipient to seek advisory support from a source and of a type acceptable to the Government of Canada
  - (c) withhold any funds otherwise payable under this Agreement
  - (d) require the Recipient to take any other reasonable action necessary to remedy the default
  - (e) take such other reasonable action as the Government of Canada deems necessary, including any remedies which may be set out by a federal department in an Annex to this Agreement, or
  - (f) terminate this Agreement.
- 20.2 Despite the reference to the Government of Canada in section 20.1, the remedies set out there may be exercised by any one or more of the federal departments providing funding to the Recipient under this Agreement.

### **21 Disclosure of financial records to other departments**

- 21.1 Without limiting the Government of Canada's right to conduct an audit under section 24 or its options under section 20 (Remedies on default), when the Recipient defaults on an obligation under this Agreement to make a financial report available to a requesting federal department that is providing funding under this Agreement, DIAND may provide the relevant financial reports to that federal department.



## **Part 6 - Information and the publication of information**

### **22 Disclosure of information by the Government of Canada**

- 22.1 The Government of Canada may make public:
- (a) the name of the Recipient
  - (b) the amount of funding provided under this Agreement, and
  - (c) the general nature of each initiative described in Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors.
- 22.2 Section 22.1 does not limit the rights or obligations that the Government of Canada has to disclose information.

### **23 Publicity about funding**

- 23.1 Either the Government of Canada or the Recipient may propose to the other party a joint public announcement or the development of joint communication materials that recognize the Government of Canada's funding for an initiative under this Agreement. Communication materials may include public events, media releases, interviews, speeches, publications, signage, websites, advertising, and promotional materials.
- 23.2 The party making the proposal will provide time for the other party to respond in writing before the communication release or event. The party receiving the proposal will respond as soon as reasonably possible to facilitate attendance and to allow for the timely production and distribution of the communication material.

## **Part 7 - Government of Canada audit and evaluation**

### **24 Government of Canada right to audit and evaluate**

- 24.1 Any federal department that provides funding under this Agreement, individually or with any other federal department that provides funding under this Agreement, may:
- (a) audit the records of the Recipient or any agency to assess compliance with this Agreement or to confirm the integrity of any information reported to the Government of Canada under this Agreement, or
  - (b) audit or evaluate the Recipient's management and financial control practices in relation to this Agreement or the effectiveness of any or all of the initiatives funded under this Agreement, including initiatives managed or carried out, in whole or in part, by an agency on behalf of the Recipient.
- 24.2 The Government of Canada will decide on the number, scope, coverage, and timing of any audit(s) or evaluation(s).
- 24.3 An audit or evaluation may be carried out by one or more auditors or evaluators employed by or on contract to the Government of Canada.
- 24.4 When an audit or evaluation under this section takes place, the Recipient must cooperate in the conduct of the audit or evaluation and, upon request, assist the auditor(s) or evaluator(s) and provide them with the information that they require including by:
- (a) providing them with:
    - (i) access to all records relating to this Agreement and to the funding provided under this Agreement, including all original supporting documents, and
    - (ii) any other information that they may require with respect to these records
  - (b) allowing them to inspect these records
  - (c) allowing them to make copies or extracts of these records unless that is prohibited by law
  - (d) providing them with records maintained under any previous agreement by which the Government of Canada provided funding to the Recipient and which, in the opinion of the auditors or evaluators, may be relevant to the audit or evaluation
  - (e) providing them with access to the Recipient's premises, and
  - (f) in the case of an audit,
    - (i) directing anyone who has provided the Recipient with accounting or record-keeping services to provide copies of those accounts and other records to the auditor(s).

- 24.5 The audit and evaluation opportunities that this section gives to any federal department that provided funding under this Agreement and the duties that it imposes on the Recipient continue for 7 years after the termination or expiry of the Agreement.

## **25 Financial records to allow for audit**

- 25.1 The Recipient must maintain financial records, including accounting documentation, regarding all funding provided by the Government of Canada in a way that will allow for audit.

## **Part 8 - Legal considerations**

### **26 Relationship between the Recipient and the Government of Canada**

- 26.1 This Agreement does not and is not intended to create an agency, association, employer-employee, or joint venture relationship between the Recipient and the Government of Canada. The Recipient may not suggest that it does.

### **27 Amendments to this Agreement**

- 27.1 This Agreement may only be amended by a written agreement signed by the Government of Canada and the Recipient. Except, the Government of Canada may amend this Agreement without the agreement of the Recipient when it makes a change to:
- (a) extend a reporting due date under section 11.3
  - (b) funding under section 6.1 and 6.2
  - (c) the Payment Plan by a Notice of Cash Flow Adjustment (section 14.2), or
  - (d) an amount of funding by a Notice of Budget Adjustment (section 15.1).

### **28 Dispute resolution**

- 28.1 The parties agree to attempt to resolve disputes with respect to this Agreement through negotiation or another appropriate dispute resolution process, except that a dispute resolution process will not be used regarding:
- (a) a Recipient budget decision made in accordance with this Agreement
  - (b) the amount of funding provided under this Agreement
  - (c) a Government of Canada audit or evaluation
  - (d) a Government of Canada decision that the Recipient is in default
  - (e) any action taken by Canada under section 6 (Funding legislation and federal funding programs) or section 20 (Remedies on default), and
  - (f) matters of Government of Canada policy.
- 28.2 In the event that the parties are unable to resolve the dispute through negotiation and agree to use mediation, the Government of Canada and the Recipient will share the costs of mediation equally. The Recipient must not use funds provided under the Agreement to cover any mediation costs.
- 28.3 No one may use any information from discussions, meeting notes, offers of settlement, or other oral or written communications from a dispute resolution process in any legal proceedings unless the law requires it. This restriction does not apply to information or communications that would have been admissible or subject to discovery rules in a legal proceeding if the dispute resolution process had not taken place.

### **29 Termination of the Agreement**

- 29.1 Without limiting section 6 (Funding legislation and federal funding programs) or section 20 (Remedies on default), a party wishing to terminate this Agreement must communicate its intentions to the other party. The parties must:
- (a) try to resolve any dispute following the process in section 28, when applicable, and
  - (b) agree to a winding up timeframe that will not jeopardize the initiative(s).
- 29.2 Once the requirements of section 29.1 have been met, the party wishing to terminate the Agreement under that section must give the other party at least 60 days written notice. The notice must include the reason for its decision to terminate the Agreement.

- 29.3 In the case of the termination of this Agreement, including termination under section 20 (Remedies on default):
- (a) the Recipient must provide the Government of Canada with the financial reports required under section 11 (Reporting duties) within 120 days of the termination date of this Agreement
  - (b) the Recipient must return to the Government of Canada any funds provided under this Agreement that were unspent by its termination date and must repay any debts owed to the Government of Canada under this Agreement as required by section 17 (Overpayments owing to the Government of Canada), and
  - (c) unless the Government of Canada and the Recipient agree otherwise in writing, the Government of Canada will pay any amount it owes the Recipient under this Agreement up to its termination date or may set off any amount owed to the Recipient against any amount the Recipient owes it under this Agreement or under any other funding agreement between the Recipient and the Government of Canada.
- 29.4 This section survives the termination or expiry of this Agreement.

### **30 Obligations that continue after the Agreement ends**

- 30.1 In addition to the sections which specifically state that the section continues to apply after the termination or expiry of the Agreement, the obligations in the following sections also survive the termination or expiry of this Agreement:
- (a) section 10, Record-keeping duties
  - (b) section 11, Reporting duties
  - (c) section 12, Recipient accountability for obligations in the Agreement
  - (d) section 16, Overspending
  - (e) section 17, Overpayments owing to the Government of Canada
  - (f) section 21, Disclosure of financial records to other government departments
  - (g) section 22, Disclosure of information by the Government of Canada
  - (h) section 23, Publicity about funding, and
  - (i) section 25, Financial records to allow for audit.

### **31 Written waiver required**

- 31.1 A party's waiver in relation to this Agreement is only valid when that party has put the waiver in writing.
- 31.2 A party does not lose a right to take action under this Agreement because it waived its right to act on a previous occasion.

### **32 Right to indemnity, protection from liability**

- 32.1 The Recipient will indemnify the Government of Canada, its Ministers, officers, employees, servants, agents, successors, and assigns from any claims, liabilities, and demands arising directly or indirectly from:
- (a) any act, omission, or negligence of the Recipient or any agency acting for the Recipient
  - (b) any breach of this Agreement by the Recipient, or
  - (c) the fulfillment, in whole or in part, or the non-fulfillment of any of the Recipient's obligations under this Agreement.
- 32.2 The Recipient will not hold the Government of Canada liable for any losses it may experience from any claims, liabilities, and demands that may arise as a result of the Recipient, or any agency acting for the Recipient, entering into any loan, capital lease, or other long-term obligation.
- 32.3 The right to indemnity and the liability protection this section provides to the Government of Canada continues after the end of this Agreement.

### **33 Insurance**

- 33.1 The Recipient is responsible for deciding on the need for insurance coverage for its own protection and to cover its obligations under this Agreement.

### **34 Legislation and government documents**

- 34.1 In this Agreement, a reference to federal legislation means the federal legislation in force at the time of the signing of this Agreement and includes any subsequent amendments to it. A reference to Government of Canada documents means the Government of Canada documents available at the time of the signing of this Agreement and their replacements.
- 34.2 The laws of Canada and the laws of the province or territory in which the initiative(s) funded under this Agreement takes place will be used to interpret this Agreement.

### **35 Definitions**

- 35.1 Words and terms that have a special meaning in the Agreement are underlined and defined in Annex 1 - Definitions of the Words and Terms that are Underlined in the Agreement.

### **36 Aids to usability**

- 36.1 The Table of Contents, section headings, and Index are not part of this Agreement and are not to be used to interpret this Agreement. They are in place to help the reader to find topics more easily.

### **37 Effect of the Agreement on the parties**

- 37.1 This Agreement is binding on the Recipient and the Government of Canada, and their respective administrators and successors.

## **Part 9 - Notices**

### **38 Notices in writing**

- 38.1 When this Agreement requires one party to give the other party a notice, request, or direction, it must be in writing, and addressed as indicated in this section.
- 38.2 The notice may be delivered in one of the following ways with the date of the notice being as indicated:
- (a) by personal delivery in which case the date of the notice will be the date on which it was delivered
  - (b) by registered mail or courier, in which case the date of the notice is the date the addressee party acknowledged receipt of the notice
  - (c) by facsimile or electronic mail, in which case the date of the notice is the date upon which the notice was transmitted and its receipt by the other party can be confirmed.
- 38.3 Either party may change the address information in this Agreement by providing notice to the other party.
- 38.4 For the purpose of this Agreement, a notice is to be addressed to:
- (a) the Recipient at:  
  
The Corporation of the Town of Fort Frances  
Civic Centre, 320 Portage Avenue  
FORT FRANCES, ON P9A 3P9  
  
Email Address: [fsheppard@fort-frances.com](mailto:fsheppard@fort-frances.com)
  - (b) DIAND at:  
  
Aboriginal Affairs and Northern Development Canada  
25 St. Clair Avenue East, 8th Floor  
TORONTO, ON M4T 1M2  
  
Attention: Director Funding Services

## Part 10 - Warranties and conditions required on signing the Agreement

### 39 Recipient warranties

- 39.1 The Recipient warrants that any person lobbying on its behalf is registered as required by the *Lobbying Act*.
- 39.2 The Recipient warrants that no member of the House of Commons or the Senate of Canada will have a share or part of any benefit arising from this Agreement that is not also available to the general public.
- 39.3 The Recipient warrants that no individual to whom the post-employment provisions of the *Conflict of Interest Act*, the *Conflict of Interest and Post-Employment Code for Public Office Holders*, the *Values and Ethics Code for the Public Sector*, the *Values and Ethics Code for the Public Service*, the *Policy on Conflict of Interest and Post-Employment*, or the values and ethics code of any Federal Department apply will derive any benefit from this Agreement unless the individual is in compliance with all the applicable post-employment provisions.
- 39.4 The Recipient warrants that it is a corporation in good standing under the applicable laws of Canada or of a province or territory and that it will remain in good standing during this Agreement.

Signed on \_\_\_\_\_  
by the Government of Canada's  
authorized representative(s):

Signed on \_\_\_\_\_  
by the Recipient's  
authorized representative(s):

\_\_\_\_\_  
Director of Funding Services  
Department of Indian Affairs and  
Northern Development

\_\_\_\_\_  
Roy Avis, Mayor  
I have the authority to bind the corporation

\_\_\_\_\_  
Glenn W. Treftlin, AMCT, Town Clerk  
I have the authority to bind the corporation

\_\_\_\_\_  
AANDC Witness

\_\_\_\_\_  
THE CORPORATION OF THE TOWN OF FORT  
FRANCES Witness

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Annex 1 - Definitions of Words and Terms underlined in the Agreement**

In this Agreement, unless otherwise stated, the following words and terms have the noted meaning.

adjustment factor	a pre-determined factor, set out in Annex 2 - Program, Services, and Activity <u>Delivery Requirements</u> and <u>Adjustment Factors</u> , which recognizes a cost component which is unknown to the parties at the time of signing the Agreement and which may affect the amount of funding for an <u>initiative</u> .
agency	an authority, board, committee, or other entity that the Recipient has authorized to act on its behalf as allowed by this Agreement.
capital asset	a tangible item that is purchased, constructed, developed, or otherwise acquired and: (a) is held for use in the production or supply of goods or the delivery of services, or to produce business outputs (b) is intended to be used on a continuing basis (c) has a useful life that extends beyond the Recipient's <u>fiscal year</u> , and (d) is not intended for resale in the ordinary course of operations.
capital costs	the reasonable and direct costs of design, acquisition, construction, expansion, modification, conversion, transportation, installation, and insurance during construction of a <u>capital asset</u> , as well as the cost of licensing and franchising fees, incurred by a Recipient.
cash flow	periodic payments that DIAND makes to the Recipient on behalf of the Government of Canada in accordance with the schedule in Annex 4 - Payment Plan.
contribution	funding under this Agreement. Under <u>contribution</u> funding: <ul style="list-style-type: none"> <li>- all payments made by the Government of Canada must match the eligible costs incurred by the Recipient and accounted for as required by this Agreement</li> <li>- unexpended funds must be repaid to the Government of Canada unless otherwise specified in the Agreement, and</li> <li>- payments received and used for non-eligible costs, must be repaid to the Government of Canada.</li> </ul>
delivery requirements	the description of an <u>initiative</u> and its expected outcomes set out as part of this Agreement in Annex 2 - Program, Service, and Activity <u>Delivery Requirements</u> and <u>Adjustment Factors</u> - <u>DIAND Funding</u> .
DIAND	Department of Indian Affairs and Northern Development which is also known as Aboriginal Affairs and Northern Development Canada.
eligible costs	reasonable expenses to support an <u>initiative</u> according to the requirements of that <u>initiative</u> as set out in Annex 2 - Program, Service, and Activity <u>Delivery Requirements</u> and <u>Adjustment Factors</u> - <u>DIAND Funding</u> For example, "eligible costs" may include <u>capital costs</u> , costs of related infrastructure development, costs of shares and assets, operating costs, marketing costs, costs of engaging consultants and other qualified professionals, and costs associated with providing financial and business services.
fiscal year	unless otherwise stated, "fiscal year" is the Government of Canada's fiscal year which is the one-year period beginning on April 1 of one calendar year and ending on March 31 of the next calendar year.
grant	funding that a Recipient may use for an <u>initiative</u> as long as the Recipient continues to meet the eligibility requirements.



initiative	a program, service, or activity described in Annex 2 - Program, Service, and Activity <u>Delivery Requirements and Adjustment Factors - DIAND</u> Funding, towards which the Government of Canada is providing funding support under this Agreement.
Management Action Plan	a plan developed by the Recipient and acceptable to <u>DIAND</u> , and any amendments to the plan developed by the Recipient and acceptable to <u>DIAND</u> , that sets out the measures the Recipient will take to remedy a default under this Agreement.
Management Development Plan	a plan developed and approved by the Recipient which addresses the recommendations identified in a <u>DIAND</u> assessment of the Recipient's administrative, accountability, and management practices. The plan must be accepted by <u>DIAND</u> and implemented by the Recipient before the signing of this Agreement, and is an annex to this Agreement.
Notice of Budget Adjustment	a notice that the Government of Canada sends to the Recipient that changes a funding amount in accordance with an <u>adjustment factor</u> in Annex 2 - Program, Service, and Activity <u>Delivery Requirements and Adjustment Factors - DIAND</u> Funding.
Reporting Guide	a document prepared by <u>DIAND</u> , as amended from time to time, that describes the content of the reports that the Recipient must submit to <u>DIAND</u> with regards to the activities funded under this Agreement and that describes the content of the financial and related reports that the Recipient must submit to <u>DIAND</u> on an annual basis. <a href="http://www.aadnc-aandc.gc.ca/reportingguide">http://www.aadnc-aandc.gc.ca/reportingguide</a>
set off (a debt)	an approach to the payment of a debt when both parties owe each other money. The amount owing to one is reduced by the amount owing to the other. For example, A owes B \$1000 and B owes A \$1500. The set off approach allows A to discharge the debt to B leaving B owing A \$500.



**Annex 2 - Programs, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND  
funding**

<u>Initiative</u> *program *service *activity	<u>Delivery Requirements</u>	<u>Adjustment Factor(s)</u>
Emergency Management Assistance - Preparedness; Response; Recovery; Mitigation; Forest Fire Suppression	The Recipient shall provide Emergency Management Assistance activities in accordance with the terms and conditions found in the DIAND approved statement of work for <b>Joint Emergency Management Steering Committee Service Level Evacuation Standards</b> and dated April 2, 2014.	The budget will be set at the start of the Agreement and may be adjusted based on departmental approval of invoices/expenditures.

### Annex 3 - Conditions of Payment - DIAND funding

#### Basic funding principles

Recipients must:

- use funds for the initiative(s) identified in Annex 2 (section 9.1)
- use funds only for eligible costs up to the maximum allowed (section 9.1)
- use funds in the fiscal year for which they were provided (section 13)
- cover any overspending that occurs when initiative costs are greater than the amount of initiative funding provided by the Government of Canada (section 16)
- report on the use of funds as required (section 11)

Note:

- any overpayment is a debt due to the Government of Canada (section 17)

#### 1 General matters

- 1.1 Subject to the terms of this Agreement, maximum amounts payable by DIAND to the Recipient by fiscal year are as follows:  
An amount of up to **Ninety Thousand dollars (\$90,000.00)** for Fiscal Year 2014-2015.
- 1.2 The Payment Plan in Annex 4 identifies the maximum amounts payable for each initiative for each fiscal year.
- 1.3 Subject to the terms of this Agreement, DIAND will make payments to the Recipient according to the provisions in section 2 (Payment specifics).
- 1.4 Depending on the circumstances, payments may be:
- advanced to the Recipient
  - reimbursed after the Recipient meets the conditions set out below under "Payment request requirements",
  - held back until the Recipient has met the conditions set out below under "Holdback requirements".
- 1.5 When the Recipient fails to report on an eligible cost as required by this Agreement, any funds advanced to the Recipient for that cost will be deemed to be an overpayment which must be paid back to DIAND.

#### 2 Payment specifics

##### Advance payments, if applicable

- 2.1 Not Applicable

##### Payment request requirements, if applicable

- 2.2 Not Applicable

##### Holdback requirements, if applicable

- 2.3 Not Applicable

##### Set Contribution Funding, SET

- 2.4 Any amount identified as SET in the Payment Plan in Annex 4 must be spent on eligible costs of the specified initiative in the fiscal year for which the amount is provided.

- 2.5 Any amount that the Recipient spends that is more than the maximum SET amount for an initiative for the specified fiscal year is the responsibility of the Recipient.
- 2.6 Any amount of SET funding set out in the Payment Plan in Annex 4 that has been paid to the Recipient is an overpayment that the Recipient must pay back to DIAND when:
- (a) the Recipient has not provided the required reports concerning the funds, or
  - (b) the Recipient has not spent the amount in the fiscal year for which it is provided on an eligible cost of the specified initiative

**Flexible Contribution Funding, FLEX**

- 2.7 Any amount identified as FLEX in the Payment Plan in Annex 4 must be spent on eligible costs of the specified initiative, in the fiscal year for which the amount is provided.
- 2.8 Any amount that the Recipient spends that is more than the maximum FLEX amount for an initiative for the specified fiscal year is the responsibility of the Recipient.
- 2.9 Any amount of FLEX funding set out in the Payment Plan in Annex 4 that has been paid to the Recipient is an overpayment of FLEX funding that the Recipient must pay back to DIAND when:
- (a) the Recipient has not provided the required reports concerning the funds,
  - (b) the amount is spent on an expense that is not an eligible cost of the specified initiative,
  - (c) the Recipient has not spent the funds, as permitted by this Agreement, by the expiry or termination of this Agreement, or
  - (d) unless section 2.10 applies to the amount, the amount is not spent in the fiscal year for which it was provided.
- 2.10 The Recipient may spend an unexpended FLEX amount provided for an initiative in one fiscal year in the next fiscal year when:
- (a) the next fiscal year starts before this Agreement ends,
  - (b) the Recipient identifies the unexpended amounts in its financial reports,
  - (c) the unexpended amount is spent on eligible costs of the same initiative,
  - (d) this Agreement has not expired or has not been terminated before the amount is spent, and
  - (e) the Recipient is not in default of this Agreement or any other agreement through which DIAND provides funding to the Recipient.
- 2.11 Where any requirement of section 2.10 is not met, the unexpended FLEX amount is an overpayment of FLEX funding that the Recipient must pay back to DIAND.
- 2.12 Any overpayment of unexpended FLEX funding must be paid back to DIAND by the earliest of these events:
- the end of the initiative, as set out in the Payment Plan in Annex 4
  - the expiry of this Agreement, or
  - the termination of this Agreement.

**Fixed Contribution Funding, FIXED**

- 2.13 Any amount identified as FIXED in the in the Payment Plan in Annex 4 must be spent on eligible costs of the specified initiative in the fiscal year for which the amount is provided.
- 2.14 Any amount that the Recipient spends that is more than the maximum FIXED amount for an initiative for the specified fiscal year is the responsibility of the Recipient.
- 2.15 Any amount of FIXED funding set out in the Payment Plan in Annex 4 that has been paid to the Recipient is an overpayment of FIXED funding that the Recipient must pay back to DIAND when:
- (a) the Recipient has not provided the required reports concerning the funds,
  - (b) the amount is spent on an expense that is not an eligible cost of the specified initiative, or
  - (c) the amount is not spent in the fiscal year for which it was provided.
- 2.16 Without limiting the remedies (section 20) or termination (section 29) provisions of this Agreement, the Recipient will be released from the obligation under 2.15 (c) to repay an unexpended FIXED amount when:
- (a) the Recipient has fulfilled all of the delivery requirements of this Agreement for the specified initiative in the fiscal year for which the amount was provided,

- (b) the amount is spent in the next fiscal year either:
    - (i) on an activity that is similar to and has the same purpose as the specified initiative, or
    - (ii) in accordance with a plan for spending the amount that is submitted by the Recipient to DIAND within 120 days of the end of the fiscal year in which the amount was to have been spent and that DIAND accepts by way of notice to the Recipient, and
  - (c) the Recipient reports on the use of the amount as required by the Reporting Guide.
- 2.17 Where any requirement of section 2.16 is not met, the unexpended FIXED amount is an overpayment that the Recipient must pay back to DIAND.
- 2.18 A failure to comply with an accepted plan under section 2.16 is a default under the Agreement and the default provisions apply.
- 2.19 When the Recipient retains or spends funds under section 2.16, the following sections of the Agreement apply in respect of those funds:
- section 10, record-keeping duties
  - section 11, reporting duties
  - section 12, accountability for obligations
  - section 18, default
  - section 20, remedies on default
  - section 24, audit and evaluation
  - section 25, financial records to allow for audit
  - section 28, dispute resolution
  - section 31, written waiver required
  - section 32, right to indemnity, protection from liability
  - section 33, insurance
  - section 38, notices
  - section 39.3, conflict of interest provisions regarding former federal officials

#### **Grant Funding, GRANT**

- 2.20 Any amount identified as GRANT in the Payment Plan must be paid back to the Government of Canada if the Recipient no longer meets DIAND eligibility requirements for GRANT funding.

### **3 Unexpended funds repayment - more than one funding source**

- 3.1 When the Recipient has to repay money to DIAND under this Annex, the Recipient must follow these allocation rules:
- (a) When the Recipient has received funding from more than one source for the same initiative but to cover different types of initiative expenses, the Recipient must repay DIAND amounts advanced by DIAND that were not used for the DIAND-funded initiative expenses set out in Annex 2 - Program, Service, and Activity Delivery Requirements and Adjustment Factors - DIAND funding.
  - (b) When the Recipient received funding from more than one source for the same initiative to cover the same types of initiative expenses, the Recipient must calculate the percent of the total initiative funding that was received from DIAND and repay DIAND the same percent from all the unexpended funds.

**Annex 4 - Payment Plan:**  
**1.0 - Program/Service Budgets, Authorities and Schedule of Monthly Payments Plan**  
 As Of 2014/06/17

Arrangement #: 1415-ON-000083

Arrangement Type: ARFA (Other)

Recipient: 8065 - THE CORPORATION OF THE TOWN OF FORT FRANCES

Fiscal Year: 2014-2015

DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS CANADA

PROGRAM / FUNCTIONAL AREA GROUP / FUNCTIONAL AREA																	
Seq.	Fund	CC	01 APR	02 MAY	03 JUN	04 JUL	05 AUG	06 SEP	07 OCT	08 NOV	09 DEC	10 JAN	11 FEB	12 MAR	Pool	Holdback	Allocation Total \$
<b>SET CONTRIBUTION FUNDING (SET)</b>																	
Land Management																	
INFRASTRUCTURE & CAPACITY - BT300																	
EMERGENCY MGMT ASSISTANCE - T3601																	
RESPONSE - NTR2 (AA004 - EMERGENCY - FLOOD) (2015/03/31)																	
001	330	A0470	0.00	0.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,000.00
<b>TOTAL SET CONTRIBUTION FUNDING (SET)</b>																	
			0.00	0.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,000.00
<b>TOTAL DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS CANADA</b>																	
			0.00	0.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,000.00
<b>TOTAL ALL DEPARTMENTS</b>																	
			0.00	0.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,000.00

If this Agreement covers more than one fiscal year, the following note applies:

1.0 - Program/Service Budgets, Authorities and Schedule of Monthly Payments plan shows figures for the Fiscal Year noted above only. Figures for any previous Fiscal Years are excluded for administrative convenience. The latest 1.0 - Program/Service Budgets, Authorities and Schedule of Monthly Payments Plan covering a previous Fiscal Year is deemed to continue to be a part of this Schedule.

**Annex 4 - Payment Plan:**  
**2.0 - Cash Flow by Fiscal Year by Department**  
*As Of 2014/06/17*

Arrangement #: 1415-ON-000083  
Arrangement Type: ARFA (Other)  
Recipient: 8065 - THE CORPORATION OF THE TOWN OF FORT FRANCES  
Current Year: 1 of 1

Budget	Funding	2014-2015
Department of Indian and Northern Affairs Canada	Other *(1)	90,000.00
Total		90,000.00

\*(1) Other funding includes Set, Fixed and Flexible contributions and Grant Funding, if any.

**Annex 4 - Payment Plan:**  
**3.0 - Cash Flow by Month and Year - ALL FUNDING by type and month**  
 As Of 2014/08/17

Arrangement #: 1415-ON-000083  
 Arrangement Type: ARFA (Other)  
 Recipient: 8065 - THE CORPORATION OF THE TOWN OF FORT FRANCES  
 Current Year: 1 of 1

Other Funding *(1)	2014-2015
April	\$0.00
May	\$0.00
June	\$90,000.00
July	\$0.00
August	\$0.00
September	\$0.00
October	\$0.00
November	\$0.00
December	\$0.00
January	\$0.00
February	\$0.00
March	\$0.00
Pool	\$0.00
Holdback	\$0.00
Total	\$90,000.00

\*(1) Other funding includes Set, Fixed and Flexible contributions and Grant Funding, if any.



Annex 4 - Payment Plan:  
4.0 - Cash Flow by Month - Current Year - All Funding by Month and Department  
As Of 2014/06/17

Arrangement #: 1415-ON-000083  
Arrangement Type: ARFA (Other)  
Recipient: 8065 - THE CORPORATION OF THE TOWN OF FORT FRANCES  
Current Year: 1 of 1

Department of Indian and Northern Affairs Canada															
Funding	Total	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Pool	Holdback
Other <sup>(1)</sup>	\$90,000.00	\$0.00	\$0.00	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$90,000.00	\$0.00	\$0.00	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

<sup>(1)</sup> Other funding includes Set, Fixed and Flexible contributions and Grant Funding, if any.

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<u>Topic</u>	<u>Section number</u>
agency	12, 24.1, 26.1, 32.1, 32.2, Annex 1
Annex 2 - Program, Service, and Activity <u>Delivery Requirements</u> and <u>Adjustment Factors</u> - <u>DIAND</u> Funding	2.1, 5.1, 8.1(a), 9.1, 11.1, 22.1, 33.1
Annex 3 - Conditions of Payment - <u>DIAND</u> funding	2.1, 5.1, 8.1(b), 13.1, 14.1, 14.2, 15.1, 17.2, 17.3
Annex 4 - Payment Plan	2.1(b), 5.1, 13.1, 14.1, 15.1, 17.2, 27.1(c), Annex 1, Annex 3
Audit - Government of Canada	24, 25, 28.1(c)
Audit - Recipient	8.2, 11.4, 11.5, 12.2(d), 18.1(b), 21.2, 24.4(f)(ii), 24.5, 30.1
default	7.1, 17.2, 18, 19, 20, 21.1, 21.2, 28.1(d), (e), 29.1, Annex 3: 2.10 (e), 2.16, 2.18
<u>eligible costs</u>	9.1, 13, 17.3(b), Annex 1, Annex 3: 2.4, 2.7, 2.9 (b), 2.10 (c), 2.13, 2.15(b)
insurance	33
<u>Notice of Budget Adjustment</u>	15.1, 27.1(d), Annex 1
<u>Notice of Cash Flow Adjustment</u>	14.2, 27.1(c)
Obligations that continue after the end of the Agreement	10.3, 12.1(f)(iii), 24.6, 25, 30, 32.2, Annex 3: 2.19
<u>Reporting Guide</u> (RG)	11.1, 11.1(a), Annex 1, Annex 3: 2.16 (c)
reporting requirements	7, 8.2, 10.2, 11, 12.2, 17.4, 18.1(c), 21, 24.1(a), 27.1, 29.3, 30.1, Annex 3: 1.5, 2.6 (a), 2.9(a), 2.10 (b), 2.15(a), Annex 4