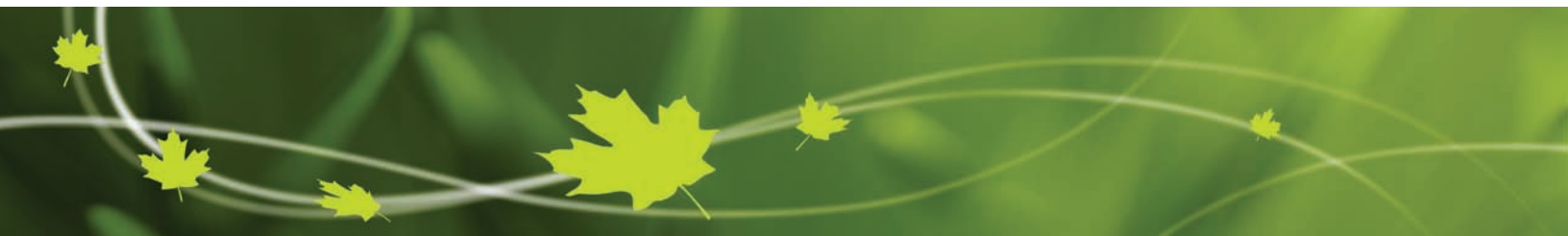




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Recipient Guide to Environment Canada Contribution Agreements



Canada 

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Aussi disponible en français

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1 INTRODUCTION

Welcome

Welcome to the guide for Recipients of Environment Canada (EC) contribution funding.

The work that our Recipients do to protect the quality of the natural environment, conserve biodiversity, and contribute to research and knowledge is very important.

Each year, EC supports a wide range of projects undertaken by many different organizations representing various sectors of society; our Recipients include local community groups, Aboriginal organizations, conservation groups, universities and research institutions, international organizations, other orders of government, and the private sector.

About this guide

This guide has been designed for Recipients of contribution funding only; it is not intended to aid prospective grant or contribution applicants or recipients of grants.

- If you are interested in learning about EC contribution funding programs and how to apply, check out www.ec.gc.ca/financement-funding.
- If you are receiving financial support in the form of a grant from EC, a different process applies and this guide may not be as useful for your reference. Please talk with your EC Project manager for more information about managing your grant.

As a Recipient of contribution funding from EC, you need to know and understand your roles and responsibilities and the processes and rules that govern how you spend the funds you receive.

With that in mind, this guide has been designed to help you along the way, so your experience is both productive and trouble-free.

This guide contains:

- Information about roles, responsibilities and mutual obligations;
- Step-by-step details of the process of managing your Contribution Agreement;
- An overview of each section in a Contribution Agreement;
- Important instructions on how to properly complete required forms; and
- Answers to frequently asked questions.

This guide is intended to give you the basics. Your EC Project manager will inform you of any additional requirements you may be required to fulfill.

2 WHAT IS A CONTRIBUTION?

A contribution is a conditional transfer of funds to an individual or an organization for a purpose specified in a formal Agreement.

- The conditions of payment are specified in a Contribution Agreement.
- The Recipient must account for the use of funds and report on results attained from their use.
- The contribution is subject to being accounted for and audited.

Under a contribution program, EC is not purchasing goods or services from a Recipient to enable EC's operations. Rather, contribution funding supports the objectives and mandate of EC, while enabling organizations, like yours, to undertake projects and activities that further your mandate.

What is a Contribution Agreement?

To receive contribution funding, all Recipients enter into a legally binding Agreement with EC. The Contribution Agreement consists of departmentally approved standard legal clauses, including:

- A description of your project's objectives, measurable activities, expected results and timelines; and
- The project budget, including a Cashflow Forecast.

The Contribution Agreement may also include appendices, such as a workplan or an Environmental Assessment Mitigation Report. Your EC Project manager will advise you if these appendices are required for your specific project.

Why the Contribution Agreement matters

The Agreement is a legally binding document between you and the Government of Canada. It specifies the conditions under which EC will provide funding. It is of critical importance that you understand it thoroughly *before* you sign it.

3 ROLES AND RESPONSIBILITIES

What is the role of the Environment Canada Project manager?

The EC Project manager is your primary point of contact with EC and is responsible for:

- Negotiating the Contribution Agreement;
- Ensuring that you receive copies of the signed Agreement, as well as the required guidelines and forms for reporting to EC;
- Providing information and guidance on EC practices and requirements;
- Ensuring that you are aware of any specific information or requirements that apply to your project; and
- Monitoring the project to confirm that activities and expenditures are compliant with the Agreement and objectives are being met:
 - Monitoring is conducted by phone contact, correspondence, file review and/or project on-site visits.

The EC Project manager also works closely with an EC Financial Officer who reviews your requests for payment. The EC Financial Officer may also contact you directly for information and supporting documentation.

What are your responsibilities as a Recipient?

From the moment that you receive notice from EC that your project has been deemed eligible for funding, you should be prepared to have the following general responsibilities:

- Discuss the content of your project proposal;
- Prepare (and/or update) your Project Cashflow and your Project Activities for negotiation with EC in a timely fashion;
- Meet the objectives stated in the Agreement by the negotiated deadlines;
- Report on your progress and accomplishments, as outlined in your Agreement;

- Keep accurate financial and Activity records, in compliance with your Agreement;
- Apply good management practices that allow you to maintain and submit accurate progress reports and financial records;
- Advise EC immediately of any changes to your project that could impact your Project Cashflow, Activities, timing, etc; and
- Adhere to all applicable Canadian laws.

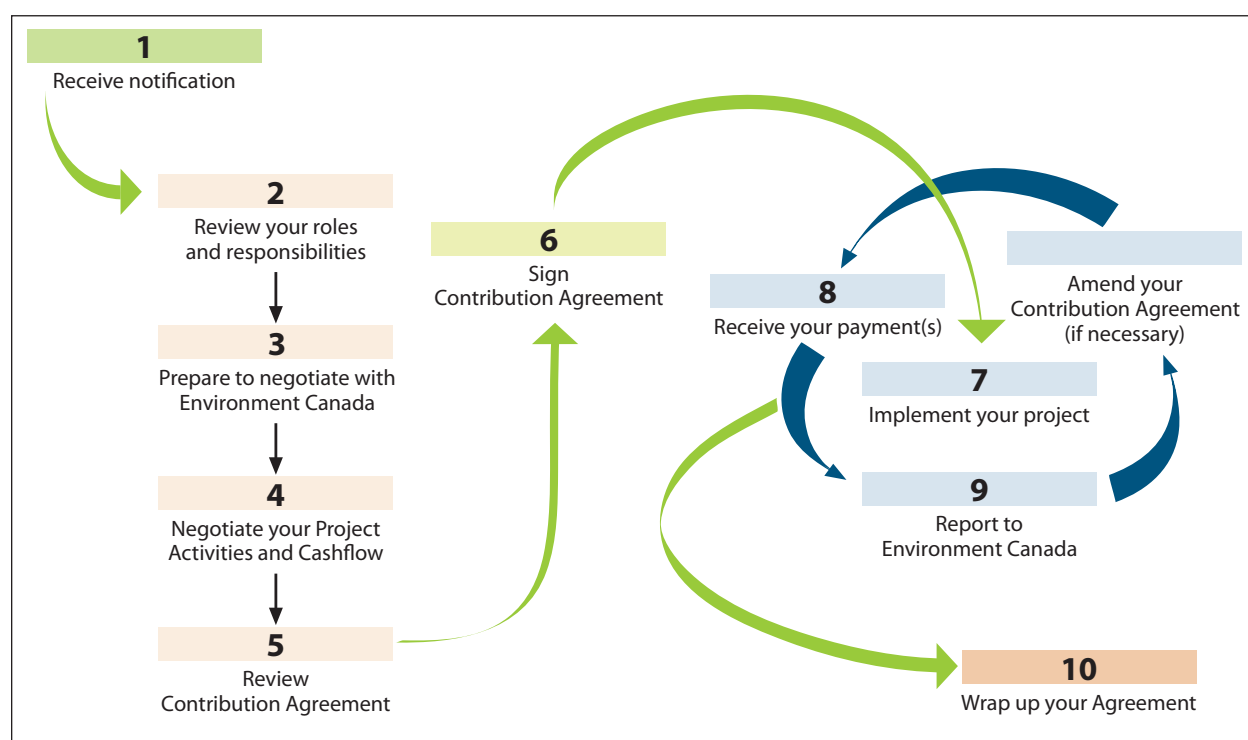
Your Contribution Agreement will outline your specific responsibilities in greater detail. To better understand your responsibilities, refer to Section 5 of this guide, as it outlines the elements of the Contribution Agreement.

4 THE PROCESS

EC is streamlining and modernizing the way it administers contributions. So, whether you are a new Recipient or an organization with a long history with the Department, it is very important that you review this section to best understand how our funding process works.

Please note that this is a general overview. Some EC programs¹ have specific requirements. Be sure to ask your EC Project manager if any specific requirements apply to your project.

From Start to Finish: A 10-Step Process at a Glance



1. The following list of EC contribution programs *may* have specific processes/requirements for Recipients: Environment Canada's EcoAction Community Funding Program; Environment Canada's Freshwater Program: Great Lakes, Lake Winnipeg and Lake Simcoe; Government of Canada's Habitat Stewardship Contribution Program (HSP); Contributions for Inuit Activities Contribution; Mackenzie Gas Project Advancement Program; Contribution to Developing Countries under the Multilateral Fund of Montreal Protocol; Contribution for the Science Horizons Youth Internship and IEYC Programs; and Contribution to Wildlife Habitat Canada. There may be other EC contribution programs not listed here that may have specific processes/requirements for Recipients. EC Project managers will advise Recipients of any specific requirements.

What a Recipient needs to know about each step

4.1 Receive notification

Your EC Project manager will contact you when your project has been deemed eligible for funding. He or she will note in your notification letter or email any conditions of funding.

It is important to note that this notification does not guarantee that your project will receive funding: no funding is guaranteed until the Contribution Agreement has been signed by both your organization and EC.

4.2 Review your roles and responsibilities

As you are about to enter into a legally binding Agreement with the Government of Canada, it is important that you understand your roles and responsibilities *before* signing your Contribution Agreement. Referencing this guide, talking with your EC Project manager, and reviewing your Contribution Agreement (in full) as soon as you receive it, will assist you in understanding your legal obligations.

4.3 Prepare to negotiate with Environment Canada

Your EC Project manager will contact you to confirm your project's proposed Activities and financial requirements and may also ask that you supply him or her with supplementary information. In anticipation of this request, you should refine your proposal. (Some EC programs will have required this preparatory work before your proposal or application was accepted; if this is the case for you, you will still want to ensure it is current and reflects any new information or changes that may have arisen since your original proposal or application.)

Project Activities:

Your Project Activities are the activities for which you are seeking EC financial support.

Helpful tips on how to refine your Project Activities

- Ensure that your Activities cover everything you want to do.
- Create a workplan that shows the timing of each activity.
- If your project involves other collaborators, consider their roles, responsibilities, and how their involvement might impact your Project Activity timeline and schedule.
- Look at your timelines and ensure that you can undertake your Activities within the negotiated time frame.
- Determine the risks that may impact the timing of your Activities (i.e. weather, permits, migratory patterns, organizational capacity, time of year).
- Develop a plan to deal with these risks.

Project Cashflow:

Your Project Cashflow is a simple spreadsheet that outlines your project's income and expenditures. It is an integral tool for determining the timing of, and how much, funding you require to successfully complete your project.

A standard Project Cashflow template will be provided to you by your EC Project manager.

Some EC programs will have already required Recipients to provide a project budget; if this is the case for you, your project budget will now need to be plotted into the standard Project Cashflow template, showing your project's forecasted income and expenditures.

(Annex A of this guide contains helpful step-by-step instructions for filling out your Project Cashflow.)

Helpful tips on how to prepare your Project Cashflow

- Ensure your Project Cashflow outlines all of your sources of income.
 - Consider income from all other contributors, including cash and “in-kind” contributions.
 - “In-kind” contributions are items and/or services a Recipient receives at no cost (i.e. by donation) for which they might otherwise have had to pay.
 - Where in-kind contributions are involved, ensure that you have current information on hand that justifies the market value of these non-cash activities.
 - Guidance on how to include in-kind contributions in your Project Cashflow can be found in Annex A: Instructions and example of a Project Cashflow.
- Ensure your Project Cashflow is complete and includes all of the expenditures necessary to undertake and successfully complete all of your Project Activities.
 - Cross-reference your Project Activities with your Project Cashflow; for example, if your Activities include field work, you may need to include “travel” in your Project Cashflow.
- Consider the timing of expenditures; ensure that you know when certain expenditures are required.
- Consider whether you are able to finance the project with funds on hand that are not restricted for other uses and then be reimbursed by EC, or whether you require advance funding from EC due to need, as you do not have unrestricted funds available to use.
- When estimating the costs of contractors or professional services, seek out more than one proposal to ensure that you are getting the most reasonable rate. Be prepared to provide evidence that the estimated rates are reasonable to your EC Project manager during the negotiation phase. (More guidance on costing can be found in Annex D: Frequently asked questions.)
- When estimating the costs of travel, be aware that EC will only reimburse travel costs according to the guidelines and rates prescribed by the National Joint Council Travel Directive (www.njc-cnm.gc.ca). (More guidance on travel can be found in Section 5.6 of this guide.)

4.4 Negotiate your Project Activities and Cashflow

At this “negotiation” stage, you and your EC Project manager will finalize your proposed Project Activities (including your plan for undertaking these activities) and your Project Cashflow.

Your Project Cashflow may need to be further refined during the negotiation stage, as your EC Project manager will advise you on which expenditures are eligible for EC funding.

You and your EC Project manager will also discuss your Project Cashflow and your demonstrated need for funding to decide whether you will receive EC funding *before* you incur the costs of Eligible Expenditures (by advance) or if you will receive EC funding *after* you incur the costs of Eligible Expenditures (by reimbursement).

Following negotiation, your EC Project manager will prepare a draft Contribution Agreement for your review.

4.5 Review your Contribution Agreement

Your EC Project manager will ask you to review your Agreement. Ensure that you understand each clause and appendix of the Agreement (refer to Section 5 of this guide, Understanding your Contribution Agreement).

If you have any concerns about certain sections or requirements, you should discuss them with your EC Project manager *before* signing the Agreement. Please note that the Agreement contains certain standardized legal clauses, as required by the Government of Canada, which may not be changed by EC.

After you have reviewed the Contribution Agreement, your EC Project manager will take it through the necessary approvals process within EC.

4.6 Sign the Agreement

Your EC Project manager will contact you when your final Agreement has been approved by EC, and he or she will request that you sign it.

Here is the process:

1. You will sign three (3) original versions of the Contribution Agreement and send all three back to EC.
2. EC will then sign all three original versions, keep two and send one back to you for your safekeeping.

The Agreement is considered legally binding and effective as of the date of last signature (by EC).

4.7 Implement your project

Congratulations, now that your Agreement has been signed by both you and EC, you will now be able to start to receive EC contribution funding for your project.

Throughout the lifecycle of the project, you are responsible for monitoring the progress of your Project Activities and Cashflow. Be sure to set up a system for keeping and tracking records and billing periods: invoices, any related Canada Revenue Agency notifications, receipts, etc.

It is important that you keep the lines of communication open with your EC Project manager as you manage your Agreement; occurrences such as those listed below might lead to a need for action by you and/or your EC Project manager.

Examples of situations to highlight to your EC Project manager

- There has been a change to the scope of your project.
- There has been a change to the methods used to achieve project objectives.
- Your project may end early.
- Your project looks like it will not be completed on time and you think you may need an extension.
- You think you may need to modify the amount of the EC contribution to the project.
- Things have changed with your other contributors (for example, changes to the amount or timing of funding from other contributors).
- Changes may be required to your Eligible Expenditures, as outlined in Section 6 of your Agreement (you need to add another type of Eligible Expenditure).
- You have experienced changes to key personnel involved in the delivery or management of the Project Activities (including financial/accounting functions).
- You are having issues with contractors or consultants that may impact your ability to complete the project.

It is important to note that EC will contact you for Cashflow Forecasts and other reports (as specified in your Contribution Agreement) throughout the life of your project. You are also encouraged to keep your EC Project manager informed of the latest happenings of your project.

Providing Cashflow Forecasts to Environment Canada

In addition to the original Cashflow that accompanies your Agreement, you are required to provide Cashflow Forecasts **twice** throughout the fiscal year (September 30th and December 31st). Forecasts are an estimation of the financial resources required to complete the Project Activities outlined in the project between the date of the forecast and fiscal year-end (March 31st).

When providing EC with a Cashflow Forecast, you are required to:

1. Evaluate the financial resources used to date versus what you originally expected (and recorded in your Project Cashflow);
2. Evaluate the Activities completed to date versus what you originally expected (and recorded in your workplan, if applicable);
3. From these two evaluations, look at the Activities that can reasonably be undertaken between the date of the forecast and fiscal year-end (March 31st); then
4. Consider how much time the Activities already completed have taken, and look at the Activities left to be undertaken, to make an informed estimation of the financial resources required.

Forecasts may point to a potential need to amend your Contribution Agreement. You are required to advise EC immediately of any events that could impact the project timeline or Cashflow requirements.

4.8 Request payment(s)

As soon as the Agreement has been signed by both parties, your organization qualifies to receive financial support for your Eligible Expenditures.

Your Contribution Agreement (Section 7: Basis and Method of Payment) details when and how to get your payment. To request payment, you must use the payment request form which is found in Appendix C of your Contribution Agreement.

Reference Annex B of this guide for detailed information about how to complete the Request for Payment form.

4.9 Report to Environment Canada

To ensure accountability and as a condition of your Contribution Agreement, you will need to complete reports. The types and frequency of reporting is set out in Section 8, Reporting, of your Contribution Agreement.

To facilitate the review and approval of your reports in a timely fashion, you must use the templates provided by EC. They are located in Appendix D of your Contribution Agreement and/or will be sent to you by your EC Project manager.

Reference Annex C of this guide for more information about reporting.

Amend your Contribution Agreement (if necessary)

EC recognizes that not every project unfolds exactly as planned. Finances may change, or Project Activities may be behind or ahead of schedule. Some changes will require an amendment to your Agreement to ensure it always reflects the most current project details. We will work with you to determine if and how an amendment will be completed.



Non-financial amendments are possible. Common non-financial amendments include:

- Change to your mailing address;
- Clarification of Project Activities (no financial impacts);
- Legal name change; and
- Change to project start/end dates (no change to Cashflow requirements).

Financial amendments may be possible, but they are subject to certain criteria and the availability of funds. Of course, amendments cannot be made after the Contribution Agreement has expired. And any amendment to the Contribution Agreement needs to be signed by both EC and you.

How to amend

Requests for amendments should be submitted in writing (emails are accepted), and no action should be taken with respect to changes involving expenditures until both parties have signed the amendment.

Reference Appendix A (Section 27) of your Contribution Agreement as it sets out your responsibilities and provides guidance on how amendments may be made.

4.10 Wrap up your Agreement (final payments and reporting)

To successfully “wrap up” your Agreement with EC, you are required to submit a Final Report on your project shortly after Project completion.

EC will only issue your final payment upon receipt and approval of your Final Report.

Reference Annex C of this guide for more information about reporting.

5 UNDERSTANDING YOUR CONTRIBUTION AGREEMENT

A standard Contribution Agreement for all

As of April 2010, EC implemented a standard Contribution Agreement for all programs and Recipients of contribution funding.

If you have received funding from EC in the past, you may notice that some parts of our Contribution Agreements have changed. So, it is important to review each element of your Contribution Agreement and to ask your EC Project manager any questions that you may have.

Changing the legal requirements in the Contribution Agreement may result in delays

In very rare cases, a Recipient may not be able to accept the terms and conditions as set out in the Contribution Agreement. In such instances, the Recipient should discuss these concerns with his or her EC Project manager as soon as possible, ideally upon first review of the Contribution Agreement. EC lawyers may be asked to review your request for changes to try and find a mutually agreeable compromise; however, given Treasury Board and legal requirements, not all requests can be entertained.

It is important to note that any requests to change the standard Contribution Agreement wording will result in delays in approving your Agreement and delays in receiving your payments.

Standard elements of a Contribution Agreement

The Recitals

Opening your Contribution Agreement are a series of “Whereas” clauses; these clauses explain the nature of the EC program from which you are getting funding and note your eligibility.

5.1 Definitions

Following the Recitals is a section entitled “Definitions.” It specifies the first day that EC will start to fund your Eligible Expenditures.

5.2 Duration

This section explicitly states that the Project must be completed by the Agreement End Date.

Project End Date vs. Agreement End Date

There are instances whereby EC is involved in only one particular phase of a Recipient's project. So, it is sometimes possible that your project may start before your Agreement takes effect or may still be ongoing long after your Agreement with EC has ended.

Therefore, where your Agreement states “The Project must be completed by the Agreement End Date,” this refers *only* to the activities and initiatives that are being supported by EC as set out in Section 4 of your Contribution Agreement.

5.3 Purpose and expected results

This section specifies your project's purpose and outlines how your project aligns to EC's mandate and objectives.

Like all Government of Canada departments, EC is required to proactively disclose all grants and contributions over \$25,000. If your project is over this amount, the purpose statement listed

here (along with the name of your organization and the total dollar value of your Agreement) will be listed on EC's public website, under “Proactive Disclosure.”

5.4 Activities, Project or Initiative being funded

This section specifically outlines what key Activities you are agreeing to undertake with the use of EC's financial support.

Often, a workplan or a more detailed description of the Project Activities will be included in your Agreement as Appendix E. A detailed workplan is encouraged as it maximizes a mutual understanding (between EC and you) of the details of the Activities that will be supported with EC funds.

5.5 Maximum amount of contribution

This section specifies the total dollar value of the Contribution Agreement.

You should note that Section 5(a) of your Contribution Agreement clearly states that EC agrees to contribute *only towards the Eligible Expenditures* set out in your Agreement incurred by you to undertake the project.

You are legally bound by the maximum total dollar value listed; no amounts above this maximum may be given to you, unless your Agreement is formally amended to show otherwise. Therefore, you must plan and continually track your project's progress because unplanned expenditures above this maximum amount will not be reimbursed.

For multi-year Agreements, this section also outlines the maximum amounts for each fiscal year to be available to you. These amounts are based on your need, as identified in your Project Cashflow that you will have already provided to your EC Project manager. Once you have exceeded the maximum amount for a fiscal year, no amounts above this maximum may be given to you that year, unless your Agreement is formally amended to show otherwise.

5.6 Eligible Expenditures

Be sure to familiarize yourself with this section as, once the Agreement is signed, only expenditures listed here will be supported with EC funds.

The Eligible Expenditures listed in Section 6 of your Contribution Agreement will directly align with the Eligible Expenditures that are indicated in the agreed-upon Cashflow statement.

Over the course of the Agreement, it may be possible for EC to approve an amendment to the project Cashflow to add or remove an Eligible Expenditure category. However, you must communicate the need for this change with your EC Project manager before incurring any expenditure not outlined in your Agreement.

Please be advised that certain Eligible Expenditures have rules associated with them. If you see the following Eligible Expenditures listed in Section 6 of your Contribution Agreement, please consult Appendix A of your Contribution Agreement to find related details:

- **Travel**
 - EC has adopted the National Joint Council Travel Directive as the basis by which EC will reimburse Recipient travel expenditures (www.njc-cnm.gc.ca).
 - While you may travel by any means you deem appropriate and incur any related costs, **EC will only reimburse travel costs according to the principles, guidelines and rates prescribed by the Travel Directive.** It is important to note also that while the Travel Directive outlines the maximum rates permissible, EC strongly encourages all Recipients to always seek the most economical means for travel. For more information, consult Appendix A of your Contribution Agreement.
- **Overhead** (sometimes referred to as administrative costs)
 - It may be possible for EC to reimburse you for a proportion of the *indirect* costs that EC and you agree can be reasonably attributed to your Project Activities. *Indirect*

costs are those that benefit more than one project or initiative or costs that benefit projects or initiatives outside the scope of the EC-funded project (for example, rental or electricity costs associated with the rental of additional office space). For more information, consult Appendix A of your Contribution Agreement.

- **Land Acquisition**

- Some programs may allow reimbursement for costs associated with the purchase of land for the purposes of carrying out your project. If this is allowed, it will be listed as an Eligible Expenditure, and there will be specific rules as to how to manage the costs associated with purchasing and reselling of land (both during and after your Agreement) included in Appendix A of your Contribution Agreement.

5.7 Basis and Method of Payment

This section outlines when and how you will receive payment. This section will note that you will receive payment either:

- *before* you incur the costs of Eligible Expenditures (**by advance payment**); or
- *after* you incur the costs of Eligible Expenditures (**by reimbursement**).

Reference Annex B of this guide for detailed information about how to complete the Request for Payment form.

5.8 Reporting

This section outlines when, how often, and how to report to EC. It makes reference to the standard reporting templates (located in Appendix D of your Contribution Agreement) that you may be required to use when reporting to EC.

Reference Annex C of this guide for more information about reporting.

5.9 Communications and requests for payment

This section outlines how to contact EC and to whom you should address formal communication.

The names and contact information included in your Contribution Agreement should be updated if there are any technical changes (i.e. turnover, or a change in the legal name of your organization) to ensure that important correspondence such as payments and/or reports are received properly and efficiently.

5.10 Signatures

This is where both parties (you and EC) sign the Agreement. The Agreement is considered legally binding and only effective as of the date that EC provides the final signature.

Appendix A: General terms and conditions

It is important to review and understand each section in this appendix. It sets out the general terms and conditions of your Contribution Agreement that are legally binding. Included are specifications such as (but not limited to):

- Your responsibility to repay EC in cases of overpayment or misuse of funds;
- Your Agreement to keep proper accounts and records for a specified period of time after the Agreement has ended;
- Your Agreement to allow EC to access any records or relevant information both during the course of the Agreement and records for a specified period of time after the Agreement has ended;
- EC's ability to publicly disclose information pertaining to the Agreement;
- How any potential disputes will be settled;
- How amendments to the Agreement may be made; and
- The sections that will survive the termination of your Agreement.

Appendix B: Project Cashflow and Environment Canada funding

The Project Cashflow that you prepared with your EC Project manager when you were negotiating your Agreement forms part of the Agreement: Appendix B.

Reference Annex A of this guide for detailed step-by-step instructions on how to properly complete the Project Cashflow template.

Appendix C: Payment request form

EC provides a specific and simple Request for Payment form for use by all Recipients. This form will allow you to quickly and easily request a reimbursement for an Eligible Expenditure you have already incurred, request a new advance and/or report on how you used an advance that EC already provided to you.

To request payment, you are required to use this form. EC will *no longer* accept other types of requests for payment (such as invoices).

Reference Annex B of this guide for detailed step-by-step instructions on how to properly complete the Request for Payment form.

Appendix D: Reporting templates

Most Recipients will be required to use these templates for completing and submitting reports.

It is important to note that some EC contribution programs have specific reporting requirements and may have different templates. Your EC Project manager will advise you on what is required and may provide you with specific templates to complete.

Appendix E: Your workplan

You may be required to include a workplan (which has been agreed to by both parties) in Appendix E, which becomes a formal part of the Contribution Agreement.

A large flock of white birds, likely swans or geese, is captured in flight over a body of water. The birds are scattered across the frame, with some in the foreground and others further back. The water is a deep blue, and there are patches of green reeds or marshland visible. In the background, there are rolling hills covered in green vegetation under a clear sky. The overall scene is a natural, serene landscape.

Funding

Name and type of all contributors along with how much you expect they will provide towards your project. List them in this section.

Year 2		Year 3		Future Years		TOTAL	
Cash	In-Kind	Cash	In-Kind	Cash	In-Kind	Cash	In-Kind
10,000						22,500	
8,500						15,750	
5,000	5,000					10,000	10,000
1,000						2,400	
24,500	5,000					50,650	10,000

Costs

Select a cost category (from the drop-down menu) and enter the amount you want to add to your project. This section outlines the total amount that will be spent.

Year 2		Year 3		Future Years		TOTAL	
Cash	In-Kind	Cash	In-Kind	Cash	In-Kind	Cash	In-Kind
8,977	5,000					18,410	10,000
4,500						11,000	
1,235						2,957	
9,788						18,283	
24,500	5,000					50,650	10,000

services and facilities necessary to directly implement a project funded by the Recipient or elicited from other sources.

In the third (and final) table, Use of Environment Canada Funding, select the cost category (from the drop-down menu) and provide details on how the EC funding towards this project will be spent. It is important to be as accurate as possible, as the information entered in this section will define the eligible project costs that EC will support. It may be possible to request an adjustment to this section as your project progresses, but EC can provide no guarantees. Be as detailed and accurate as possible to avoid potential issues later in the project life cycle.

Important reminders regarding estimating the value or costs of Eligible Expenditures:

These costs should be estimated as follows:
base salary cost + mandatory employment-related costs. Mandatory employment-related costs are those required either by provincial/territorial/municipal law (such as CPP/QPP, EI, WCB) or those required by a collective agreement or employment contract (contributions to a medical/dental plan, RPP, etc.).

These costs are defined as the *indirect* costs that can be reasonably attributed to your Project Activities (for example, rental or electricity costs associated with the rental of additional office space). *Indirect* costs are those that benefit more than one project or initiative or costs that benefit projects or initiatives outside the scope of the EC-funded project.

The means by which a Recipient travels is ultimately the choice of the Recipient. However,

when you are drafting your Project Cashflow, calculate the amount you will request EC to reimburse based on the rates and guidelines of the government Travel Directive.

You should be ready and able to show how the travel funding you have requested aligns with the Directive.

Helpful tip

Draft a brief table that shows the expected actual costs you will pay versus the eligible costs per the Directive for which you are requesting funding. It is wise to keep this table up-to-date throughout the life of your project, as you will be expected, when seeking reimbursement, to show how the travel funding you have received aligns with how you have spent it and how you applied the Travel Directive.

In-kind support

Examples of in-kind support may include donated equipment, services and facilities necessary to directly implement a project that would otherwise have to be purchased if they were not donated by the Recipient or elicited from other sources. To estimate the value or cost of in-kind support is not an exact science, and the approach varies

depending on the type of good/service being provided. Here are some general tips based on the type of in-kind support:

- Professional, technical, managerial and administrative services provided by the Recipient should be calculated at actual salary rates, plus benefits, for the amount of their time allocated to the program.
- Personnel services elicited from a source other than the Recipient should be estimated based on reasonable market values for the type of work involved and where the work is being undertaken. For example, a person-year of managerial input will usually be calculated at the person's current salary rate if the person is currently doing that level of managerial work. Otherwise, it will be calculated at the average salary level for that kind of managerial work in that particular region/location. Work done by volunteers may also be included at market rates for the type of work involved, provided that these services are essential for the delivery of the program and would otherwise have to be purchased.
- Equipment, facilities and other services (such as the cost of office space, telephone service, office equipment used in the program, and donated tools and books) should be calculated based on actual rates for these rentals, purchases and/or services.



ANNEX B

How to complete the Request for Payment form

Definitions

EC funding – The amount of funding EC is providing towards your eligible project expenditures.

Appendix C: Request for Payment – the form used whenever you want to: (1) request a new advance; (2) report back to EC on how you spent funds provided in advance; and/or (3) request a reimbursement of project costs. You can combine multiple requests on one form and perform any one, combination of two, or even all three, activities on a single form at the same time.

Reimbursement – EC funding provided to reimburse you for project costs you have already incurred. Appendix C – Request for Payment is the form to use to request a reimbursement of project costs.

Advance – EC funding that is provided up front when you have shown you require such funds to pay for project costs. Appendix C – Request for Payment is the form to use to request an advance.

Accounting for advance – Reporting back to EC on how you spent funds that were provided in advance. Appendix C – Request for Payment is the form to use to report back on how advance funds were spent.

Outstanding advance balance – The amount of Advance funds you have for which you have not provided an accounting.

Advance limit for current fiscal period – The maximum amount of advance funding EC can provide before you must provide a report detailing how the advance funds were spent. Depending on your project, you may be able to receive one, two, three or more advance payments before you need to report on how any of the funds were spent, as long as the total advance EC provides does not exceed this limit.

When to use each section in this form

Section 1 – This section must always be completed in full. Some of the information may be pre-populated for you, and you just need to complete the remaining fields.

Section 2 – Use this section whenever you have paid for Eligible Expenditures and are reporting back to EC on the type and amount of Eligible Expenditure paid. When using this section, do not consider whether or not EC has provided advance funding or will be reimbursing for the Eligible Expenditures paid.

- If EC is reimbursing your Eligible Expenditures, then the amount you report in this section will detail the reimbursement you have requested.
- If EC has already provided advance funding, then the amount you report in this section will account for the use of some or all of that advance. If the Eligible Expenditures in this section are greater than the advance you received from EC, then the amount you report in this section will account for the full use of the advance and also detail the reimbursement you are requesting (for the amount of expenditure exceeding the advance received).

Section 3 – Complete this section any time you are requesting a new advance and/or have already received an advance from EC.

Section 4 – This section will complete automatically when using the electronic version of this form.

Section 5 – Complete this section each time you fill out this form.

Section 6 – This section must be completed and signed by an individual with the capacity and authority to provide the required certification, each time this form is completed.

Method of payment – advance vs. reimbursement

When will Environment Canada provide me with funding for my project?

EC normally provides funding for projects by “reimbursement,” meaning that you will pay the project costs first, and then EC will reimburse you after verifying that the costs are considered eligible in accordance with the terms and conditions of the Agreement.

Some EC programs have the flexibility to provide funding in “advance,” meaning that

EC can provide an amount of funding up front if necessary, to help ensure you have sufficient money to pay for project costs. After you have paid the project costs, you will have to report back to EC to confirm that all of the funds were spent, and spent in accordance with the terms and conditions of the Agreement.

When determining whether to provide funding by reimbursement or in advance, EC must consider any restrictions applicable to the program funding your project, the timing of your project funding from all sources against the timing of your project costs, and the specifics of your project.

How do I know if my Agreement permits advances?

Section 7 of your Agreement describes the method of payment applicable to your Agreement.

Reimbursement

The wording in Section 7 of your Agreement will appear similar to the following if you will be reimbursed for your project costs.

7. BASIS AND METHOD OF PAYMENT

a) Basis of Payment

Within the limits of Section 5 and in accordance with EC’s policies and the laws of Canada relating to financial administration, as amended from time to time, and upon receipt of any required reports and/or forms under this Agreement, EC agrees to pay the Recipient up to the maximum amount specified in Section 5 a).

b) Method of Payment

- i. Payments will be made upon receipt and acceptance of an accounting of the Eligible Expenditures directly incurred to-date by the Recipient for the purposes of undertaking the Project.
- ii. The Recipient will submit requests for reimbursement of Eligible Expenditures using the prescribed form provided in Appendix C – *Payment Request Form*.
- iii. Requests for reimbursement may be submitted at any time during the Fiscal Period, but usually not more frequently than on a quarterly basis.

Advance

The wording in Section 7 of your Agreement will appear similar to the following if EC may provide an advance for your project costs.

7. BASIS AND METHOD OF PAYMENT

a) Basis of Payment

Within the limits of Section 5 and in accordance with EC's policies and the laws of Canada relating to financial administration, as amended from time to time, and upon receipt of any required reports and/or forms under this Agreement, EC agrees to pay the Recipient up to the maximum amount specified in Section 5 a).

b) Method of Payment

- i. The Recipient may submit requests for an advance payment on Eligible Expenditures. Such requests must conform to Appendix B – Project Cashflow and Environment Canada Funding and cannot exceed the maximum funding for the Fiscal Period as set out in Section 5 d).
- ii. The Recipient will submit requests for advance payment using the prescribed form provided in Appendix C – *Payment Request Form*. Requests for advance payment may be submitted at any time during the Fiscal Period, but usually not more frequently than on a quarterly basis. All requests must sufficiently demonstrate the need for advance payment and be accompanied by the required supporting documents and information outlined in the prescribed form provided in Appendix C – *Payment Request Form*.
- iii. The maximum amount of advance funding the Recipient may hold at any one time is defined for each fiscal period as follows:
 - 2010-2011: \$45,000
 - 2011-2012: \$67,500

Requesting an advance

To request funding from EC *before* you incur Eligible Expenditures, you must have:

1. A signed Agreement with EC that permits advances;
2. Documentation that confirms your organization has the need for an advance (see next page for examples of documents you may be asked to provide); and
3. A complete and signed Request for Payment form requesting an advance, as long as the amount is within the limit established for the applicable fiscal period.

How do I complete the Request for Payment form if I want to request an advance?

Once you have completed the Recipient Identification section at the top of the page, requesting a new advance is a simple process:

1. Go to the Requesting for Advance section of the form.
2. Enter your “Advance limit for current fiscal year. This number can be found in Section 7b)iii” of your Agreement.

SECTION 3: Advances	
	Amount
Advance limit for current fiscal year (from section 7 b) iii of your agreement)	10,000.00 (b)
Advance(s) already issued	(c)
Advance(s) previously accounted for (excluding amount from Section 2 above)	(d)
Advance(s) to be accounted for in Section 2 above	(e)=lesser of (a) and (c)-(d)
Advance that is unaccounted for	(f)=(c)-(d)-(e)
Current available advance limit	(g)=lesser of (b)-(f) and (h)-(i)
Advance requested (see note below)	4,500.00 Must be less than or equal to (g)

Note: You must clearly demonstrate the need for any advance. Provide an updated cashflow, if it has changed since the last time submitted to EC. You should also provide other supporting documents to demonstrate the need for an advance, clearly indicating a gap between the timing of the project costs and the funding received from all project funders.

SECTION 4: Payment Amount	
This Payment	Requested
Reimbursement of Eligible Expenditures Requested	
Advance Payment Requested	4,500.00
Payment to be Issued	4,500.00

3. (If this is your first advance request, skip to the next step). Enter the amount of your “Advance(s) already issued” and “Advance(s) previously accounted for” in the appropriate fields. You can find these amounts by looking at your last Request for Payment forms.
4. Enter the amount of the advance you are requesting in the “Advance requested” field. In the example above, the advance requested is \$4,500.

You may continue to ask for an advance payment without reporting back to EC on how you spent the funds until you have reached your “Advance limit for current fiscal period.”

Repeat the above process each time you request an advance and are not reporting back to EC on how you have been spending your funding. Each time you submit a new request, simply enter the amount of advance you need per Step 4 above, and ensure you update the “Outstanding advance balance” per Step 3 above.

How much can I request in advance? How do I demonstrate I “need” an advance?

You can request the advance amount you need up to the maximum amount of advance for the applicable fiscal period as defined by Section 7b)iii of your Agreement. Your request must be based on a reasonable amount that will be spent in the near future, within the limit established in your Agreement.

EC does not assign a specific timeframe to “need” (e.g. EC does not usually define “need” in 3-month time periods). Your ability to demonstrate need, whether over 1 week, 52 weeks, or any number in between, will influence the amount of advance funding EC may provide.

To demonstrate need you may want to provide (and/or EC may ask you to provide) any or all of the following:

- An updated Cashflow statement detailing the timing and use of the funding EC is providing.
- A detailed timeline showing the timing of funding you will be receiving from all project funders against the timing of the project costs you will incur. An advance may be provided if this statement demonstrates a clear gap between the project funding and costs.
- Copies of Agreements, Letters of Intent or similar documents from other project funders that detail the timing of their funding towards the project.
- Bank statements or financial statements confirming your need for cash to pay for project costs.
- A statement you prepare that details and confirms that without EC funding provided in Advance you would not be able to undertake Project Activities and the project would not be able to proceed.

This is not an all-inclusive listing, and your EC contact will discuss with you the level of detail required. EC requirements may change over the life of your project based on the nature of your project and funding you request.

If you cannot demonstrate need over a particular time period (i.e. you do have sufficient funding to pay for project costs and request that EC reimburse you afterwards), then EC will not usually provide an advance for project costs incurred over that time period. You can pay for the project costs and request a reimbursement using the process outlined later in this document. It is quite possible to have a number of different periods within the life of your project, some where EC will provide advance funding and others where EC will reimburse your project costs.

It is best to keep in regular contact with EC to ensure you can provide all of the required information in a timely manner. Your EC contact will be able to issue your advance payment faster if the required information is readily available, complete and accurate.

Reporting to Environment Canada on how you used funds provided in advance

You must report back to EC on how you spent some or all of the advance funding you have been provided:

1. when you reach your “Advance limit for current fiscal period”;
2. if Section 7b) of your Agreement defines a time limit by which you must report back to EC on how the advance funds were spent; and
3. by March 31st of each year (EC’s fiscal year-end).

How do I complete the Request for Payment form if I want to report back to Environment Canada on how I spent the advance funding?

The Request for Payment form includes an Accounting for Eligible Expenditures Paid this Fiscal Year section. In this section, you will break down the amount of the advance you spent into cost categories and provide the amount for each category.

SECTION 2: Accounting for Eligible Expenditures Paid this Fiscal Year		Previous Balance	Total for this Fiscal Year
Expenditure Type	Current Accounting		
Human resource costs	2,311.00		2,311.00
Material and supplies costs	708.00		708.00
TOTAL Eligible Project Costs	3,019.00 (a)		3,019.00

	Amount
Advance limit for current fiscal year (from section 7 b) iii of your agreement)	10,000.00 (b)
Advance(s) already issued	4,500.00 (c)
Advance(s) previously accounted for (excluding amount from Section 2 above)	(d)
Advance(s) to be accounted for in Section 2 above	3,019.00 (e)=lesser of (a) and (c)-(d)
Advance that is unaccounted for	1,481.00 (f)=(c)-(d)-(e)
Current available advance limit	(g)=lesser of (b)-(f) and (h)-(i)
Advance requested (see note below)	Must be less than or equal to (g)

Note: You must clearly demonstrate the need for any advance. Provide an updated cashflow, if it has changed since the last time submitted to EC. You should also provide other supporting documents to demonstrate the need for an advance, clearly indicating a gap between the timing of the project costs and the funding received from all project funders.

SECTION 4: Payment Amount	
This Payment	Requested
Reimbursement of Eligible Expenditures Requested	
Advance Payment Requested	
Payment to be Issued	

In the example above, EC has already provided the Recipient with \$4,500 in advance, and now this Recipient is reporting that they spent:

- \$2,311 of the advance on Human Resources; and
- \$708 of the advance on materials and supplies.

In this example, as this Recipient is only reporting on how advance funds were used, you can see that there is no payment to the Recipient. The Recipient has already received the money from EC and is just reporting on how it was spent.

You will need to update the Requesting an advance section of the form with the “Advance limit for current fiscal year” from your Agreement, and the “Advance(s) already issued” and “Advance(s) previously accounted for” from your previous Request for Payment form. Once you do that, you will see how reporting back to EC on the use of some or all of the Advance you have been provided impacts both your Advance that is unaccounted for and your “Current available advance limit.”

Requesting a reimbursement of project costs from Environment Canada

To ask EC to reimburse your project costs, you must provide some details on the types of costs

and amounts that you have already paid, using the Request for Payment form.

How do I complete the Request for Payment form if I want to request a reimbursement for project costs I paid?

The Request for Payment form includes an Accounting for Eligible Expenditures Paid this Fiscal Year section. In this section you will provide details on the expenditure types and amounts of project costs for which you want EC to reimburse you.

SECTION 2: Accounting for Eligible Expenditures Paid this Fiscal Year			Total for this Fiscal Year
Expenditure Type	Current Accounting	Previous Balance	
Travel	1,142.00		1,142.00
Equipment rentals	5,890.00		5,890.00
TOTAL Eligible Project Costs	7,032.00 (a)		7,032.00

SECTION 3: Advances	
	Amount
Advance limit for current fiscal year (from section 7 b) iii of your agreement)	(b)
Advance(s) already issued	(c)
Advance(s) previously accounted for (excluding amount from Section 2 above)	(d)
Advance(s) to be accounted for in Section 2 above	(e)=lesser of (a) and (c)-(d)
Advance that is unaccounted for	(f)=(c)-(d)-(e)
Current available advance limit	(g)=lesser of (b)-(f) and (h)-(i)
Advance requested (see note below)	Must be less than or equal to (g)

Note: You must clearly demonstrate the need for any advance. Provide an updated cashflow, if it has changed since the last time submitted to EC. You should also provide other supporting documents to demonstrate the need for an advance, clearly indicating a gap between the timing of the project costs and the funding received from all project funders.

SECTION 4: Payment Amount	
This Payment	Requested
Reimbursement of Eligible Expenditures Requested	7,032.00
Advance Payment Requested	
Payment to be Issued	7,032.00

In the example above, the Recipient paid for the following costs first, and is now requesting that EC provide a reimbursement:

- \$1,142 in Travel Costs; and
- \$5,890 in Equipment Rentals.

In this example, the reimbursement is requesting a payment totaling \$7,032 from EC. EC will confirm the costs are eligible and that all of the requirements of the Agreement have been met. Only then will a payment be sent to the Recipient.

Combining multiple requests on one form

The same form is used whenever you:

- Request an advance;
- Report on how advance funding was used; or
- Request EC reimburse project costs you already paid.

You can do any one, two or even all three of the above on the same form at the same time. For example, you can report on how advance funding was used and request a new advance all on one form. Or, depending on the nature of your project, you may be requesting a reimbursement for costs you paid, and an advance to continue with further Project Activities.

In the following example you can see that the Recipient:

- Has an advance limit of \$25,000 for this fiscal period;
- Received \$8,000 in advance funding from EC;
- Paid for \$12,950 to contractors and \$1,142 in printing, production and distribution costs; and
- Is requesting a new advance of \$5,000.

SECTION 2: Accounting for Eligible Expenditures Paid <u>this</u> Fiscal Year		Previous Balance	Total for this Fiscal Year
Expenditure Type	Current Accounting		
Printing, production, and distribution costs	1,142.00		1,142.00
Contractors	12,950.00		12,950.00
TOTAL Eligible Project Costs	14,092.00 (a)		14,092.00

SECTION 3: Advances	
	Amount
Advance limit for current fiscal year (from section 7 b) iii of your agreement)	25,000.00 (b)
Advance(s) already issued	8,000.00 (c)
Advance(s) previously accounted for (excluding amount from Section 2 above)	(d)
Advance(s) to be accounted for in Section 2 above	8,000.00 (e)=lesser of (a) and (c)-(d)
Advance that is unaccounted for	(f)=(c)-(d)-(e)
Current available advance limit	(g)=lesser of (b)-(f) and (h)-(i)
Advance requested (see note below)	5,000.00 Must be less than or equal to (g)

Note: You must clearly demonstrate the need for any advance. Provide an updated cashflow, if it has changed since the last time submitted to EC. You should also provide other supporting documents to demonstrate the need for an advance, clearly indicating a gap between the timing of the project costs and the funding received from all project funders.

SECTION 4: Payment Amount	
This Payment	Requested
Reimbursement of Eligible Expenditures Requested	6,092.00
Advance Payment Requested	5,000.00
Payment to be Issued	11,092.00

Receiving your payments

Upon EC's *receipt and approval* of your Request for Payment form, it may take **2–4 weeks** for you to receive payment.

Please remember that:

- Receipt of late or incomplete forms or reports will result in delayed payments from EC.
- Advance payments that are within your maximum advance set out in your Contribution Agreement still require you to submit a Request for Payment form and documentation that clearly demonstrates your need for such advances.
- EC cannot provide a payment that exceeds your maximum advance stated in your Contribution Agreement. If you have reached your maximum advance you must submit a Request for Payment form to account for some or all of your advance balance before EC will provide additional advances.



ANNEX C Reporting

Types of reports required

There are two types of reports required: activity and financial reports. Section 9 of your Contribution Agreement requires you to submit financial reports and progress reports on Project Activities. Reports must be written so that EC can clearly understand your progress on your Activities and how you are using EC funds to conduct your Activities.

Templates may be provided for your use in Appendix D of your Contribution Agreement.

Reports and receiving payments

You are required to report on your Activities and the use of government funds, but you will not always need to write a report to receive payment. For example, if you are seeking your first advance payment, a report will not be required.

However, you are required to submit a report in order to receive your final payment. EC must reconcile expenses against the contributions paid and verify the results achieved *before* your final payment can be released. Funds not utilized must be returned to the Receiver General. The requirements and deadlines to submit your Final Report(s) are specified in Section 8 of your Contribution Agreement.

The Final Report

The Final Report provides information on project highlights, descriptions of outcomes with respect to results set out in your Contribution Agreement, quantitative and qualitative descriptions of the accomplishments/success of the project, challenges faced and solutions found, information on results (negative or positive) that were not anticipated, and lessons learned.

The Final Report also includes a section on final financial accounting for the entire duration of your project including total project income and expenditure summary, an explanation for any financial variances, and how funds flowing from your project have been used.

Submitting your Final Report late, or in an incomplete manner, may result in your final payment being delayed or not issued.



ANNEX D

Frequently asked questions

Answers to frequently asked questions about how to prepare, conduct and wrap-up your Agreement with EC:

Q: Should I have a project manager/coordinator within my organization?

A: It is important to ensure that you have the organizational capacity to undertake your Activities and also to meet any reporting requirements by EC and any other contributors you may have.

For some Recipients, having a manager or coordinator with good general management skills to oversee the project is wise, specifically if your project is particularly complex (i.e. has multiple contributors, tight timelines or complicated interdependent activities) or if subject matter experts need to devote their time and attention to the Activities being funded rather than managing the project and compiling the reports required by EC.

Q: Should I have an accountant?

A: Financial accountability requires strong bookkeeping and financial skills. If you do not have this capacity, it is recommended that you seek the assistance of a professional accountant. Talk with your EC Project manager because hiring an accountant may be eligible for EC financial support.

Q: Do I need to open up a separate bank account for my project?

A: It is imperative that you be able to easily identify EC expenditures. You will be asked to provide forecasts and regular financial reports. If you have your own financial system that ensures tracking and distinction between sources of funds, then a separate bank account is not required. If you do not have a financial system that allows you to track the use of EC's funding specifically, a separate project bank account is recommended.

Q: Does EC offer direct deposit?

A: In an effort to be as paperless and environmentally friendly as possible, EC does offer direct deposit for recipients of contribution funding. Some restrictions may apply, so please speak with your EC Project manager to learn about how you can receive your payments by this method.

Q: What are some tips for managing a project that involves multiple contributors, besides EC?

A: Contributors can bring skills, expertise and often financial resources to a project, all of which will help to ensure the project's success and its sustainability after EC funding ends. You may be required to provide evidence of cash and in-kind contributions from other contributors.

Here are some key tips for working with multiple contributors:

- Have written agreements with contributors that outline under what conditions they will contribute during (and after) the project;
- Communicate with your contributors and work with them to ensure they understand their roles and responsibilities, and get them to supply any information you require to undertake your project; and
- Most importantly, tell EC if anything changes with other contributors, as you may need to consider the possibility of amending your Agreement.

Q: What is the difference between “contractors” and “professional services”? Do I need them?

A: Professional services are the people that Recipients hire to support the work of their project (for example, accountants or translators). Contractors are the people that Recipients engage to do the work of their project (for example, research consultants or laborers). You may need to use contractors and/or professional services to give you the capacity to conduct and support the Activities outlined in your Agreement.

Q: What are some pointers for hiring contractors?

A: If your Contribution Agreement includes contractors as an Eligible Expenditure (see Section 6 of your Agreement), then you can use EC funds to support the cost of engaging a contractor to conduct your Activities. Here are some essential pointers for hiring contractors:

- Get more than one proposal and avoid possible conflicts of interest;
- Request letters of recommendation for prospective contractors;
- Find out if the prospective contractor is bonded or has insurance; and
- Have a written agreement stating the overall maximum that will be paid, the per diem rate, the deliverables and the timelines for completion of tasks.

Q: What happens if my contractor does not deliver? How does this impact me?

A: The onus is on you, the Recipient, to ensure that you fulfill the terms and conditions of your Contribution Agreement. Therefore, you are responsible for ensuring that your contractor completes the work on time and to the highest level of quality. If it appears that your contractor will not meet the deliverables or timelines that you have set out or that you require additional time to hire another contractor, you need to discuss the possibility of amending your Agreement with your EC Project manager.

Q: What happens if some of my project costs are eligible for GST/HST credits or other rebates?

A: EC will only reimburse the *net cost* of an Eligible Expenditure. You can determine the net cost as follows: *total cost – rebate or credit = net cost*.

If you incur a cost that has a rebate or credit associated with it, the rebate will not be reimbursed by EC.

If you receive a GST/HST credit for your project costs, keep the record from the Canada Revenue Agency in your project files, and only seek reimbursement for the *net cost* from EC; the tax credit will not be reimbursed by EC.

Q: Now that I am receiving contribution funding from the federal government, do I have any responsibilities related to official languages? How will I know what my responsibilities include? Why might I have official languages responsibilities?

A: As a condition of your Contribution Agreement, you may have responsibilities to communicate and/or provide services in both official languages. If you are required to meet any official languages conditions, Section 4, Activities, Project or Initiative being funded, will outline exactly what activities you are obliged to undertake. If you will be communicating and/or providing services to the public in both official languages, you will need to ensure that your Eligible Expenditures (Section 6 of your Contribution Agreement) includes professional services to cover the costs of translation or interpretation.

The reason why you may have these responsibilities is because EC is required to ensure that when contribution programs support activities that benefit members of both official languages communities, that their design and delivery respect the obligations of the *Official Languages Act*, and services and benefits are made available in both official languages in compliance with the Act.

Q: What are the rules about having an employee of EC involved in my organization?

A: It is not uncommon for employees of EC to be active participants in environmental organizations, either as part of their job or as part of their personal life. As federal public servants, departmental officials are aware of the rules and policies that exist with regards to proactively disclosing their involvement and what is considered to be appropriate involvement.

As a Recipient, you should be aware that if an employee of EC sits on your board of directors or is involved in other similar organizing committees, it is imperative that this involvement does not result in the EC employee exercising control, or being seen as exercising control, in the use of EC funds. It is important to understand and respect that EC employees may not be able to vote or be present during certain deliberations around the use of EC funds.

Q: My project has generated revenue. How do I report this to EC?

A: EC does not have the mandate or authority to support projects that have a primary purpose of generating revenue. Be sure to review the first section of your Contribution Agreement (“The Recitals”), as it clearly states that your project must not generate direct profit. However, it is possible that EC might support a project where the Recipient may, as an indirect result of the Project Activities, either during or after EC’s period of funding, generate revenue. It is important to understand how (and when) to report revenue.

During the life of your Agreement with EC, if you earn *indirect* revenue, then you should report that revenue to EC, as you would be expected to use that revenue to offset your project costs. This may mean that you will need to amend your Cashflow, or that a reduction to EC’s level of funding is required, or that you will be permitted to expand your Project Activities to be funded by this revenue.

If, somehow, you modify the scope of your project so that the main focus is revenue-generating activity, then you must advise EC, as EC may no longer be permitted to provide funding to your project.

If the revenue occurs after the life of the Agreement, then you are not required to report it to EC.

Q: What are Project Site Visits? Are they common? How do I prepare for one?

A: EC Project managers may wish to carry out a site visit over the life of your project.

EC Project managers use the site visit as an opportunity to discuss how the project is progressing, what aspects of the project have been successful, what aspects have been challenging, and how any problems that have arisen have been resolved. The discussion or review of project accounting may also be part of the site visit. This is an excellent opportunity for you to showcase your project to the EC Project manager and for him or her to become more familiar with you and your project.

In the early stages of your project, you may wish to discuss with your EC Project manager if and when it may be a good time to organize a site visit. Your assistance in organizing and facilitating the site visit is appreciated.

Q: Do I need to submit my data (e.g. questionnaires and survey findings)?

A: This will depend on your specific Agreement. Section 4 of your Contribution Agreement (and your project workplan, if you have one) will outline what activities you agree to perform and any inherent deliverables you will be developing and/or sharing with EC.

Q: What are my intellectual property rights with research and/or reports resulting from my EC-supported project?

A: Consult Appendix A, Section 21, of your Contribution Agreement regarding intellectual property.

Q: After my Agreement ends, what do I do with capital assets I acquired during my Agreement?

A: If your Agreement includes the purchasing of capital assets (defined as tangible items, costing more than \$10,000, with a useful life that exceeds one fiscal year) as an Eligible Expenditure, you have three options about capital assets after your Agreement with EC ends: 1. dispose; 2. keep; or

3. donate. You are required to advise EC on the outcome of all capital assets. Consult Appendix A of your Contribution Agreement for the terms and conditions surrounding capital assets.

Q: Do I have to do an evaluation of the project?

A: No, you are not required by EC to do an audit or an evaluation of your project. However, you may find it beneficial to assess the impacts, benefits and long-term implications of your project. EC would welcome copies of any project evaluations to assist in understanding the benefits of EC funding.

Q: Is a project financial audit required? How do I know who pays for it?

A: No, you are not required by EC to conduct a separate financial audit of the specific project. However, as a distinct organization, if you conduct an annual organizational audit, it is likely that this Project Activity will be included in it; therefore, the records that you are required to keep as per your Contribution Agreement with EC may prove useful in this regard.

EC may decide, at its own expense, to undertake a financial audit of your project.

Appendix A of your Contribution Agreement sets out your responsibilities and outlines that EC retains the right to audit your file and may conduct an audit after the end of your project.

Q: What documents or records do I need to keep after my project ends?

A: You are required to keep all records and documents that are in any way relative to the project. The type of records you are required to keep include paper documents, as well as those stored in an electronic format (e.g. on a CD or memory stick). Make sure you keep orderly records of all income you receive, and all receipts, invoices, vouchers and cancelled cheques indicating expenditures. Emphasis should be placed on records that support all expenditures for which you have received EC financial support, and documents that show all sources of funding and calculations for any in-kind support received.

Q: How long do I need to keep documents or records after my project ends?

A: EC requires that you retain your records for specific period of time, as specified in Appendix A of your Contribution Agreement.

You should also note that the Canada Revenue Agency and the Ministère du Revenu du Québec may have different requirements for the retention of records.

Q: What does “survival of terms” mean? For which clauses or sections of my Agreement does this apply?

A: When your Agreement states in Appendix A that certain clauses “survive” the Agreement, this means that these clauses remain in effect even after the end of your Agreement. Appendix A of your Contribution Agreement outlines the applicable clauses.



WWW.ec.gc.ca

Additional information can be obtained at:

Environment Canada

Inquiry Centre

351 St. Joseph Boulevard

Place Vincent Massey, 8th Floor

Gatineau QC K1A 0H3

Telephone: 1-800-668-6767 (in Canada only) or 819-997-2800

Fax: 819-994-1412

TTY: 819-994-0736

Email: enviroinfo@ec.gc.ca