

# FIRST NATIONS DEVELOPMENT FUND

Grant  
Program  
Guide





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## Who should use this Information Handbook?

This guide has been developed for use by First Nations staff who administer or manage First Nations Development Fund (FNDF) projects in their First Nation. It may include:

- designated First Nations FNDF contact
- designated signing authority of FNDF grant applications
- designate to report on project funding
- finance officers
- First Nation auditors

*References are made to specific sections of the FNDF Grant Agreement provided in Appendix 2 of this guide.*

## What is the First Nations Development Fund Grant Program?

The FNDF Grant Program is a Government of Alberta lottery grant program available exclusively to First Nations in Alberta. The FNDF Grant Program is supported by a portion of revenues from government-owned slot machines located in First Nation casinos in Alberta. First Nations in Alberta can apply to the FNDF Grant Program for social, economic and community development projects. The FNDF Grant Program is part of the Government of Alberta's First Nations Gaming Policy, which includes a provision for the allocation of slot machine proceeds from First Nation casinos to a FNDF Grant Program from the Alberta Lottery Fund (Ref. Preamble).

The FNDF Grant Agreement identifies the agreed-to terms of which the grant program will be administered by the Government of Alberta and accessed by First Nations. A sample FNDF Grant Agreement is provided in Appendix 2

## What are the Objectives of the FNDF?

FNDF Grant Program funding can be used for economic, social and community development projects. Grant applications are to clearly demonstrate how the project meets this eligibility by identifying how community members benefit from the project. Once a project is approved, grant funds can only be spent on project expenses as per the approved application.

## What costs are not eligible?

FNDF Grant Program funding cannot be used for (Ref. S. 2.0):

- Operating or financing a casino, gaming facility or gaming equipment;
- Per capita distributions, meaning a general distribution of money or other property, whether directly or indirectly, on a per capita basis; or
- Creating or providing for a security interest in the grant monies.

Additionally, requests to use FNDF for payments of profit or distributions, management fees, or the ongoing operations of a business may not comply with the “eligible uses” of economic, social and community development projects within the terms of the FNDF Grant Agreement.

## Who can apply?

First Nation Band Councils in Alberta who have signed an FNDF grant agreement are eligible to apply to the FNDF Grant Program. There are currently forty-six First Nations who are participating in the FNDF Grant Program.

## When should a First Nation apply for the grant?

In order to be eligible for the next quarterly payment, completed applications should be submitted by the following dates:

May 1

August 1

November 1

February 1

Please note that incomplete applications cannot be further processed until they meet all requirements.

## How much grant funding is available to my First Nation?

Exact quarterly/yearly allocations can only be determined at the end of the quarter/fiscal year as the slot machine revenue becomes available.

At the beginning of the fiscal year in April, a Liaison Officer will provide First Nations with a projected allocation of FNDF grant funds for that fiscal year. This is an estimation based on past trends and should only be used for planning purposes.

## How does a First Nation apply for the grant?

The first steps when making an application is to find out which Liaison Officer is designated to work with your First Nation. To enquire, call Alberta Aboriginal Relations at (780) 415-1250 and ask for the First Nation Development Fund. Liaison Officers will provide information, advice and assistance in planning for the use of the FNDF Grant Program funding in a manner that works best for First Nation communities, and is within the terms of the Grant Agreement. They will also assist your First Nation in applying to the Fund, reporting and other requirements (Ref. S. 3.1).

The Liaison Officer will request a Band Council Resolution (BCR) from your First Nation Chief and Council that designates a staff member as the primary contact for FNDF; as the signatory to grant applications; and, who has the authority to provide reporting on behalf of Chief and Council. This BCR is maintained in the First Nation project file for reference by the Liaison Officers (Ref. S. 2.5).

Once Chief and Council have identified a priority for FNDF funding, the First Nation's designated contact submits a completed grant application package to the assigned Liaison Officer for review and consideration (Ref. S. 3.1).

The completed grant application package includes the following:

1. a signed and completed grant application;
2. a detailed project description or proposal;
3. detailed budget identifying revenue and expenses; and
4. a BCR approving the submission of the application to FNDF

Grant applications are available on the internet at <http://www.aboriginal.alberta.ca/895.cfm>. or from the Liaison Officer.

A sample of a completed grant application is available on the following page.

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### **1. Signed and Completed Grant Application**

**Sample Completed Grant Application**

**First Nations Development Fund Grant Program  
PROJECT APPLICATION**



**PROJECT INFORMATION**

First Nation:

Project Contact Person:   
Mr. Mrs. Ms.

Phone Number: Work   Home

Fax

Email:

If First Nations Development Fund (FNDF) grants are to be used for two or more projects, please complete a separate application for each project and a Funding Allocation Sheet.

**Elder's Centre Operation Cost Project**

Project/Facility Name

Project Location

Street Address/Land Description

Town/Reserve

Province

Postal Code

Project Start Date:     
MM DD YY

Project Completion Date:     
MM DD YY

**Project Description:**

Is this project related to: (please check as many as are applicable)

- Economic Development
- Social Development
- Community Development
- Infrastructure
- Addictions Program
- Education
- Health

Please provide a brief (one sentence) description of the project for which FNDF funding is requested:

Please attach a **detailed description** of the project including an indication of how the project will be used for economic development, social development, community development, addictions program, education, health or infrastructure.

Does your project involve land, facilities, or programs under the direction or ownership of another party arm's length from the applicant?

- Yes. Please attach a written statement from that other party in support of this project.
- No

Have you received adequate professional advice related to this project?

- Yes, please attach an explanation of who and for what purpose.
- No, please attach an explanation why.

**PROJECT FUNDING**

Have you applied for other provincial or federal grants for this project?  Yes  No

If yes, please specify which grant(s) and amounts(s) and the year(s) of the funding

**Project Funding (cont)**

Does this project involve FNDF grant funds for more than one year?  Yes, how many years? \_\_\_\_\_  No

Project Funding:		Please attach applicable Detailed Project Funding information:
<b>FNDF Funding Request</b>	\$ 150,000	
Other funding (if applicable):		
Cash	\$ _____	A detailed breakdown of source of cash amounts.
Other Provincial Grants	\$ 20,000	A list of Provincial Grants (dollars and year).
Federal Grants for Project	\$ _____	A list of Federal Grants (dollars and year).
Donated Material/Equipment	\$ _____	A detailed breakdown of donated labour/services, donated material/equipment.
Donated Labour/Services	\$ _____	
<b>Total Project Funding</b>	\$ _____	
<b>Total Project Cost</b>	\$ 170,000	A detailed breakdown of cost estimates for your project that equals total project funding.

**APPLICANT AGREEMENT**

I DECLARE THAT:

- This application is made in accordance with the FNDF Grant Agreement.
- I am duly authorized by a Band Council Resolution to sign this application.
- The information contained in this application and supporting documents is true and accurate and endorsed by a Band

**FNDF Grant Program Application Checklist**

- Funding Allocation Sheet is attached
- Band Council Resolution is attached
- Detailed Project Description is attached
- Detailed Project Funding information is attached

<i>Tom</i>		
Signature		
Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/>	Tom	Jones
Please print First Name		Last Name
PO Box 1000		
Registered address of First Nation (All official correspondence will be mailed to this address)		
XXXX First Nation	Alberta	T4C 3J8
Town/Reserve	Province	Postal Code
XXXX First Nation	780-555-0000	
Work Phone#	Home Phone #	
Date	January	2014
	Month	Year
	Day	

**To be considered for funding in the current fiscal year, applications must be received no later than December 15th.**

**Freedom of Information and Protection of Privacy Act**

The information you provide on and with this application form is collected under the authority of the Gaming Grants Regulation pursuant to the Government Organization Act and the Freedom of Information and Protection of Privacy Act, Section 33(c). It will be used to assess your application and for the administration of the First Nations Development Fund Grant Agreement. Your personal information is protected by Alberta's Freedom of Information and Protection of Privacy Act and can be reviewed on request. If you have any questions about the collection or use of this information, contact FNDF Grant Program Administration at:

First Nations Development Fund, Alberta Aboriginal Relations  
 20<sup>th</sup> Floor, Commerce Place, 10155 - 102 Street  
 EDMONTON, AB T5J 4G8  
 Phone: (780) 427-8407, Fax: (780) 427-0401



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## **2. Detailed Project Description**

The project description or proposal must describe the project in detail (Ref. S. 3.1).

The Project Description is to include:

- The community, economic, social need or opportunity that the project addresses.
- The project objectives.
- Required resources (i.e. staff).
- A work plan.
- The desired outcomes for both the First Nation and the community members who will benefit from the project.

Applications that are more complex may require additional documentation. For example:

- Business start-ups or expansions may require a business plan and financial statements.
- Application to use FNDF for debt payments will require the loan documents, and a budget confirmation on the use of the original principal the First Nation received from the lending institution.
- Confirmation of professional advice.

A sample of a completed project description/proposal is available on the following page.

## Sample Completed Project Description/Proposal (Page 1 of 3):

### **XXXX First Nation – Elder’s Centre Operation Costs Sample - Project Description**

#### **Sample - Description:**

The XXXX First Nation is applying for \$150,000 of First Nations Development Fund grant funding to fund the operation costs of the Elder’s Centre. This project meets the social development needs of the Nation as the Elder’s Centre serves as a gathering place for the Nation’s 125 Elders and community members. The Centre has been operational for almost 20 years. The cost to operate the Centre is \$170,000 annually. The Nation is applying for \$150,000 to the First Nations Development Fund and \$20,000 from the Seniors Living Well grant.

#### **Sample - Objectives:**

The objectives of the Elder’s Centre Operation Costs project are to:

1. Provide Nation Elders and members of the community with a safe facility to gather as families and community.
2. Provide Nation Elders with a range of holistic programming such as health, recreation, academic/literacy, ceremony and social supports.
3. Provide daily nutritional meals, diabetes prevention and care.
4. Provide the sharing of knowledge and traditional practices from Elders to youth through the Sharing our Stories; Language Instruction; Basket weaving; beadwork; and hide tanning programs.
5. Provide resources for the Elder’s Council to provide guidance to the Nation leadership.

#### **Sample - Required Resources:**

The Centre is staffed by 2 key positions:

1. Director – The role of the Director is to oversee the day to day operations of the Elder’s Centre and to explore partnerships that enhance the programs and services being offered at the Centre.
2. Program Manager – The role of the program manager is to oversee delivery of programs and services ensuring the needs of the Nation’s Elders are being met through regular programming.
3. Janitor and Maintenance – This role is responsible for the daily cleaning of the Elder’s Centre and ensuring that maintenance of the building is kept up. This position is a donated position by Chief and Council. No grant funds will be used to fund this position.

## Sample Completed Project Description/Proposal (Page 2 of 3):

### **SAMPLE - Work Plan:**

Programming is provided Sunday through to Saturday, 7:00 am to 9:00 pm.

#### Health Programs:

- Flu vaccinations – annually
- Diabetes prevention and care – weekly
- Optometrist services – quarterly
- Granny’s mannies – monthly manicures and pedicures
- Massage therapy – monthly
- Annual hearing tests
- Mental Health services – 1 week per month

#### Recreation programs:

- Yoga
- Walking with our Elders

#### Cultural and Traditional Teachings and Ceremony (daily)

- Cree instruction
- Storytelling
- Traditional parenting
- Basket weaving
- Beadwork
- Hide tanning
- Hunting/trapping
- Traditional singing and drumming

#### Personal Development

- Computers 101
- Facebook for Kokum and Mosum
- Literacy programs

#### Field Trips:

- Assembly of Treaty Chiefs – three times a year
- Pilgrimage in Lac St. Anne – annually

### Sample Completed Project Description/Proposal (Page 3 of 3):

#### Sample - Program Outcomes:

- Elders have the resources and supports to maintain independence and participate socially in their community.
- Elders have the health and mental health supports that contribute to increased quality of life.
- Elders, communities and staff are involved in community programs that contribute to their health and wellbeing.
- Elders have direct input into program planning, delivery and evaluation of services they receive.
- Partnerships and relationships are being strengthened through the planning and delivery of programs in the Elder's Centre.
- Traditional ways of life are preserved and nurtured through the sharing of practice and knowledge.

### 3. Detailed Budget of Revenue and Expenses

Applications are to include a project budget that lists the total expenses (costs) for the project, as well as all sources of revenue (income) that the First Nation is applying for to pay for those expenses (Ref. S. 3.1). Electronic templates can be made available to a First Nation by contacting your assigned Liaison Officer.

#### Sample – Operational Budget 2014/2015:

<b>Project Revenue</b>	<b>Amount</b>
Senior's Living Well Grant	20,000
FNDF Grant	150,000
<b>TOTAL REVENUE</b>	<b>170,000</b>
<b>Project Expenses</b>	
Salary and Benefits (2 positions)	90,000
Utilities	5,000
Food	20,000
Vehicle Lease	5,000
Insurance, Registration, fuel	10,000
Supplies	2,000
Materials and Equipment	8,000
Sponsored Registration for events	10,000
Lodging	10,000
Per diems	10,000
<b>TOTAL EXPENSES</b>	<b>170,000</b>

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#### 4. Band Council Resolution

A valid BCR that approves the submission of the application to FNDF is required (Ref. S. 2.5).

The BCR is to identify:

- The project name and amount
- Designated signatory to the application
- Designated individual responsible for reporting in accordance with the FNDF grant agreement

#### Sample Band Council Resolution

##### Sample – Band Council Resolution

**WHEREAS** CHIEF AND COUNCIL HAVE MET IN A QUORUM AT A DULY CONVENED CHIEF AND COUNCIL MEETING ON JANUARY 15, 2014; AND

**THEREFORE BE IT RESOLVED:**

1. THAT THE XXXX FIRST NATION SUBMITS THIS BAND COUNCIL RESOLUTION TO ALBERTA ABORIGINAL RELATIONS FOR \$150,000 IN FIRST NATION DEVELOPMENT GRANT FUNDING NECESSARY TO CARRY OUT THE ELDER'S CENTRE OPERATION COSTS PROJECT.
2. CHIEF AND COUNCIL HEREBY DESIGNATE THE *(INSERT NAME AND POSITION)* AS THE NATION CONTACT FOR THIS PROJECT AND HE/SHE SHALL HAVE SIGNING AUTHORITY WITH RESPECT TO THE FNDF GRANT APPLICATIONS
3. CHIEF AND COUNCIL HEREBY DESIGNATE *(INSERT NAME AND POSITION)* AS RESPONSIBLE FOR ANY AND ALL FINANCIAL REPORTING ON THE USE OF FIRST NATION DEVELOPMENT FUNDS FOR THE PURPOSES OF THIS PROJECT.

## Where do I send the completed application package?

Signed and completed grant application packages can be mailed to:

**First Nations Development Fund - Alberta Aboriginal Relations**  
**20th Floor, Commerce Place, 10155 - 102 Street**  
**Edmonton, Alberta T5J 4G8**

or Faxed to:

**First Nations Development Fund**  
**Fax Number: 780 427-0401**

or by email to your Liaison Officer.

## How are Grant Applications approved?

The Liaison Officer will review the grant application and determine if all supporting documents are included (Ref. S. 3.1). The review of the grant application and supporting documents includes the following questions:

- Is a valid Band Council Resolution attached, with a quorum of signatures, approving the submission of the application?
- Is the project clearly a community, economic, or social development project?
- Is the application signed by an authorized person?
- Is the project clearly described, with clear objective(s), goal(s), or activities?
- Is the project start and end date identified and consistent with the project description and budget?
- Is the budget clear, detailing the project's revenues and expenditures?
- Does the project involve land, facilities, or programs under the direction or ownership of another party that is arm's length from the applicant? If yes, a written statement from that other party in support of the project is required prior to approval.
- Was professional advice obtained?
- Does the application appear to include any ineligible activities?

The Liaison Officer may request additional documentation from the First Nation to clearly determine eligibility and make a recommendation for approval. Once the review is completed, the Liaison Officer will make a recommendation for approval and the project is forwarded for further consideration.

Once the project is approved, an approval letter will be mailed to the First Nation's Chief. An email with an attachment copy of the approval letter is also sent to the First Nation's designated FNDF contact. Please note that this process may take up to six weeks from the time the application is received by Alberta Aboriginal Relations.

## How are grant payments made?

Payments are made directly to First Nation's FNDF bank account for approved projects shortly following the end of each quarter (Ref. S. 4.2):

Quarter 1 - ends at the end of June with payment by mid-July

Quarter 2 – ends at the end of September with payment by mid-October

Quarter 3 – ends at the end of December with payment by mid-January

Quarter 4 – end March 31 with payment by mid-April

Near the end of each quarter, the assigned Liaison Officer will contact the First Nation to identify which projects will receive payments at the next quarterly payment.

For example:

In 2014/2015 XXXX First Nation has an estimated annual allocation of \$920,000. The estimated 1st quarter payment for the First Nation is \$230,000. The Liaison Officer informs the First Nation that they have the following four approved FNDF projects that require grant payments:

Project Number	Project Name	Approved Amount
12345	Youth Project	100,000
12344	Elder Centre Project	150,000
12343	Recreation Project	125,000
12432	Equipment Purchase	175,000

**Total Approved Projects 550,000**

To determine which projects get paid, the First Nation considers which projects will need funds to operate over the next quarter. The First Nation identifies the following project priorities for the quarterly payment:

- Priority 1: Pay \$50,000 to 12345 Youth Project
- Priority 2: Pay \$50,000 to 12344 Elder Centre Project
- Priority 3: Pay \$50,000 to 12343 Recreation Project
- Priority 4: Pay \$80,000 to 12432 Equipment Purchase Project

After the 1st quarter payment has been made, the following projects will have the remaining balances due for payment in the 2nd quarter:

Project # and Name	Approved Amount	1st Quarter Payment Amount	Remaining Balance payable in 2nd Qtr
12345 Youth project	100,000	50,000	50,000
12344 Elder Centre Project	150,000	50,000	100,000
12343 Recreation Project	125,000	50,000	75,000
12342 Equipment Purchase	175,000	80,000	95,000
	<b>550,000</b>	<b>230,000</b>	<b>320,000</b>

Grant funds can only be paid quarterly if the First Nation has approved projects to pay to. If the First Nation does not have enough approved projects to receive their entire quarterly payment, the unpaid portion will be held and paid at the next quarterly payment. The First Nation then works with their Liaison Officer to submit additional projects for approval in time for the next quarterly payment.

*There are four application deadlines throughout the fiscal year (May 1, August 1, November 1 and February 1). If a First Nation has not submitted enough projects by February 1st to receive their entire yearly allocation (payment of funds) at the 4th Quarter, the First Nation will lose their allocation. The unused funds will be automatically redistributed to First Nations with approved projects according to the allocation model. There is no additional process to access these funds (Ref. S. 4.2 (v)).*



## Project Management

Project management is a skill anyone can learn and do, and an approach that nearly any project can benefit from. The Community Toolbox, <http://ctb.ku.edu/en/table-of-contents> is an excellent online resource for community planning, development, implementation, and evaluation tools. Here are some key project management tips that will increase the potential for project completion and success:

- Develop a clear objective of what you want to achieve.
- Consider if you need a professional project manager, especially for major projects.
- Identify your team and the roles and responsibility they have in completing the project.
- Involve stakeholders early. Develop a list of partners and stakeholders, identify their role(s), contribution(s), and commitment(s).
- Identify at what stage of the project you need approvals and from whom and then allow the time for the approval process.
- Identify where you need professional advice such as financial, legal, engineering, etc., and plan on how to obtain the advice.
- For major projects such as roads and construction, obtain the best possible combination of price and quality by conducting a request for proposal process.
- Develop a work plan that includes tasks/actions, responsibilities, deadlines, priorities, and percent complete.
- Review and update your work plan regularly. Adjust the work plan if you need to – don't be stuck to it.
- Agree on a communication plan with partners, management, leaders, and discuss any adjustments affecting them.
- Know the scope of your project and do not do more than you committed to or do not have the funds for.
- Have regular communication with your leadership, partners and contractors, request regular updates on successes, and possible issues.
- Develop a monthly cash flow budget so you know at what points during the project life cycle you will need additional funds.
- Ensure major budgets costs are supported by quotations, estimates, etc.
- Review your budget and cash flow regularly, and a minimum of once per month, with your financial manager, and project manager(s). Discuss cost overruns and how they will be managed.
- Know what is going on, but also avoid micro-management.
- Communicate often. Ask questions . . . and more questions.
- Part of the projects manager's role is to communicate bad news. If you have to do this, do it quickly, clearly, and transparently, with the right people, and identify implications and next steps.

## When are project reports due?

Financial reports are due on every FNDF project. Reports are due within 90 days of completion of the project and/or within 90 days of the end of the fiscal year, which is June 30 (Ref. S. 5.2).

*It is recommended that the First Nation set up a separate account within their accounting software for each FNDF project to make reporting more efficient. This process will greatly assist First Nations in reporting as the general ledger for that project can easily be printed out.*

At the end of every fiscal year the Liaison Officer will provide the First Nation with:

- **Report Summary** - This report will list the project number, project name, approved amount, paid amount, transfer amounts and the status of reporting. This report can also be requested by the First Nation at any time.
- **Project Payment Chart** – This chart identifies the amounts paid to projects at every quarterly payment. This chart is helpful for the Nation's auditors to ensure the correct reporting of project revenues in the Nation's financial statements.

Project reports are to identify the FNDF revenue received by the First Nation as well as the project expenses that were paid for using FNDF grant funds. Explanations of significant variances or delays in the project are to be provided.

**A) Projects under \$100,000** – Project reports submitted by the First Nation must be reviewed and signed by a Registered Accounting Professional or by a representative of the First Nation whose position has been authorized by a Band Council Resolution to provide the required financial reporting on behalf of the First Nation (Reference s. 2.5).

The Grant Reporting Form is available on our website at:

<http://www.aboriginal.alberta.ca/895.cfm>

or by contacting your Liaison Officer.

First Nations Development Fund Grant Program

**PROJECT REPORT – Under 100K**



**Contact Information:**

Project Name:		Project Number:	
First Nation:			
Total Project Cost:	Amount Approved	Amount Received in Fiscal year:	
Project Start Date:		Report Due Date:	

**Instructions:**

1. Complete Section B Summary of Receipts, and attach the complete general ledger for the project.
2. The FNDF Grant Program requires confirmation of the expenditures for the grant amount received. If your expenditures are less or more than the grant funds received, please contact your FNDF Liaison Officer at 780-427-8407 to discuss.
3. All FNDF Grants are subject to audit by the Province of Alberta; therefore ensure complete records are maintained, including all receipts for 3 years after the end of the project.
4. Return the completed Project Report to:

**Aboriginal Relations**  
**First Nations Development Fund**  
 20th Floor, Commerce Place,  
 10155 – 102 Street NW  
 Edmonton, AB T5J 4G8  
 Telephone: (780) 415-1250  
 Fax: 780-427-0401

**Declaration:**

I certify that the information is a complete and accurate financial accounting of the project, and that the funds were expended on the project as described in the Grant Application submitted for the grant. I am a duly authorized representative having legal and/or financial signing authority.

Name (please print)	Position/Title
Signature	Date

**Summary of Receipts:**

Cheque Number	Cheque Date	Payee/Supplier	Item/Description	Invoice Number	Total Amount

**B) Projects over \$100,000** - The project report is to be in the form of an Audited Financial Statement and be signed by a Chartered Professional Accountant. The Financial Statements are to include a separate audit schedule for each FNDF project that received funding or had deferred revenue from the previous years and identify the funds spent in the specific budget item as per the approved grant application.

### Sample Financial Statements – Schedule for Elder’s Centre Operational Costs Project

**XXXX First Nation - First Nations Development Fund  
Elder’s Operational Costs Project #12344  
Schedule 4 - Non-Consolidated Schedule of Revenue and Expenses  
For the year ended March 31, 2015**

	2015	2014
<b>Revenue</b>		
First Nation Development Fund	150,000	-
Senior's Living Well Grant	20,000	-
	<b>170,000</b>	
<b>Expenses</b>		
Salary and Benefits	90,000	-
Utilities	5,000	-
Food	20,000	-
Vehicle Lease	5,000	-
Insurance, Registration, Fuel	20,000	-
Supplies	2,000	-
Materials and Equipment	8,000	-
Sponsored Registration for Events	10,000	-
Per diems	10,000	-
	<b>170,000</b>	

Once the First Nation has submitted the signed financial reports, the Liaison Officer will complete a review of the report, which includes:

- Is the report appropriately signed?
- Does the report contain sufficient information to review the eligibility of expenses by comparing the reported expenses to the approved project?
- Do expenditures appear eligible based on the project’s description and budget?
- Are significant variances, if any, between the approved project's budget, and the report, acceptable and within the scope of the approved project?
- Have questions been addressed and documented on the project file?
- Does the report comply with the FNDF Project Reporting Guideline?

If the report does not meet these items, the Liaison Officer will contact the First Nation for further clarification.

Once all of the questions have been addressed, the Liaison Officer will accept the financial report. If all of the funds have been spent on approved expenses and the project is completed, the file will be closed. If any funds have been deferred to the next fiscal year, an amendment may need to be made to extend the end date of the project or to transfer the remaining funds.

**Past Due Reporting** - Reports not received by June 30 are overdue. The Liaison Officer will make every effort to work with the First Nation in fulfilling the reporting requirements including telephone calls, emails and in person meetings. If all past fiscal year reports are not received by September 1, the October quarterly payment will be held, and all further payments until the reports are received (Ref. S. 4.2 iv).

## What if all of the funds are not used?

If a First Nation finds that an approved project does not proceed or if all approved and paid funds are not used, the First Nation can request a Change of Use in writing requesting that the paid funds be transferred (Ref. S. 4.5).

Paid funds can be transferred:

- a) **To another approved project** - This request is to be made in writing to the Liaison Officer who will complete the transfer of funds.
- b) **To a new project** - A completed application package must be submitted. Once approved, the transfer of funds can be completed.

## **What if we need more money to complete a project?**

If a First Nation finds that additional funds are needed to complete an approved project, the First Nation can request additional funds. A new grant application package is to be submitted along with the revised project description, revised budget and a new BCR. The application will go through the regular application review and approval process.

## **What if we need more time to complete a project?**

If a First Nation finds that they need more time to complete the project, an amendment can be requested in writing to extend the end date of the project. Reporting is still required 90 days following the end of the fiscal year (Ref. S. 4.4).

## Audit of FNDF Funds

Approximately every three years, Alberta Aboriginal Relations conducts a compliance audit (Ref. S. 5.4, 5.5 and 5.6) which financially assesses the use of the grant funds based on the FNDF Grant Agreement, and that the funds are used only on approved projects. The audits also complete a review to ensure that there is adequate documentation for grant payments and that the payments fall within the FNDF Grant Agreement. Costs for audits are covered by the Reasonable Administrative Costs of the FNDF Grant Program (Ref. S. 5.5).

The audit team will contact the designated FNDF contact for the Nation to discuss the scope of the audit. The scope of the audit will identify the time period and the specific projects that will be reviewed by the audit team.

Auditors may request to review records, such as, but not limited to:

- All related accounting and financial records.
- Original FNDF bank account statements for the audit period.
- Related cleared cheques.
- Bank Reconciliations.
- Related invoices.
- Pictures or project completion documents.
- List of executive including names, titles and phone numbers.
- Board, executive, or council meeting minutes pertaining to the FNDF.
- Contracts and payrolls.

Once the audit has been completed, Chief and Council will receive a letter from Alberta Aboriginal Relations informing them of the significant audit findings. The significant audit findings identify the First Nation's good practices, any concerns and recommendations. The Nation can then work with the assigned Liaison Officer and the auditors to resolve any issues.



## How do we prepare for an audit?

All records relating to FNDF projects must be maintained for three years, to be made available to the Province of Alberta upon request (Ref. S. 5.4). Please note that other regulations may require you to maintain records for a longer period.

First Nations who maintain accurate financial records will find reporting and auditing processes straightforward and manageable. The implementation of effective accounting and book keeping practices can assist in ensuring that reporting and auditing requirements are fulfilled.

Some effective accounting and book keeping practices may include:

- Develop a tracking process within your accounting/finance software, that allows you to track each project's financial transactions separate from other financial activities (such as other programs/departments not involved in the project).
- Maintain an electronic and paper filing system for the project.
- Maintain all project records.
- Assess the reasonableness of project expenditures prior to payment.
- Maintain all contracts and invoices, such as:
  - FNDF Grant Agreement.
  - Office expenses, such as supplies, utilities, rent, employees, etc.
  - Consultants and other professional advice, such as lawyers, contractors, engineers, accountants, etc.
- Implement a records management process.
- Ensure that invoices:
  - Match to contracts.
  - Match to expense type/purpose.
  - Have proper signoff and approval on invoices.
  - Have an incoming and outgoing tracking system.
- Log financial transactions within the project based on categories, such as salaries, office equipment, information technology, etc.
- Maintain personnel records, such as time sheets, payroll ledgers, job descriptions and records of payroll/source deductions.
- Document honorariums with: name, purpose/reason, amount, and date.
- Maintain an inventory of equipment, capital, land purchases, and land development.
- Ensure all financial transactions paid/coded to the project are directly related to the project.
- Track expenditures via a budget, and update the budget monthly. Note any variances beyond plus/minus 10%, and plan how the variances will be managed, reduced or re-allocated.
- Complete bank reconciliations monthly.


## Public Listing of Grants Paid

After each quarterly payment, a list of the projects funded by the FNDF Grant Program is available as information to the general public (Ref. S. 5.7). For more information on funded projects, go to the Who Benefits database at <http://albertalotteryfund.ca/aboutthealf/whobenefits.asp> and under “agency”, choose “First Nations Development Fund”.

Alberta Aboriginal Relations also distributes the annual results publication which includes financial information from the fiscal year and, more importantly, First Nation success stories. The FNDF Annual Results publications are available on the website or can be requested from your Liaison Officer.

## Appendix 1 - FNDF Grant Cycle Timelines

These dates reflect the submission of complete applications. Applications which are not complete will take longer to process as Alberta Aboriginal Relations awaits further information from the First Nation.

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Completed Applications Due		1										
1st Quarter Payment				15								
Completed Applications Due					1							
2nd Quarter Payment							15					
Completed Applications Due								1				
3rd Quarter Payment										15		
Completed Applications Due											1	
4th Quarter Payment	1											
Annual Reports Due for each Project			30									
Q2 Payment held for reports not submitted					1							
FNDF Annual Workshop						X						
Project Amendments Due (Change of Use, Closures)												

**Note:** Section 4.2.1 of the FNDF grant agreement includes a clause that the fiscal year application deadline is December 15. Aboriginal Relations is able to accept complete grant applications from First Nations beyond the December 15 date, up to February 1st for the final fiscal year payment in mid-April.

## Appendix 2 - Sample FNDF Grant Agreement

### FIRST NATIONS DEVELOPMENT FUND GRANT AGREEMENT

Made effective the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA  
As Represented By The Minister of Gaming  
(the "Department")

AND:

\_\_\_\_\_  
(the "First Nation")

#### PREAMBLE:

- A. On January 19, 2001, the Government of Alberta announced the First Nations Gaming Policy under which money appropriated out of the Lottery Fund will be made available to Alberta First Nations.
- B. The First Nations Gaming Policy was ratified by the Alberta First Nations through the Alberta Chiefs' Summit process and accepted by the Government of Alberta.
- C. Under section 2 of the *Gaming Grants Regulation*, AR 29/2004, (the "Regulation") the Department may make grants to any person or organization in respect of any matter that is under the Minister's administration.
- D. The Department wishes to make grants to Alberta First Nations pursuant to the Regulation in accordance with this Agreement.
- E. The making of grants under this Agreement is subject to the First Nations Gaming Policy and annual appropriation of funding by the Legislative Assembly of Alberta to the Department.
- F. The First Nations Gaming Policy will remain in its current form until it is reviewed by the parties and amended.
- G. The parties wish to ensure that the First Nation receives the maximum amount of funds available to it pursuant to the First Nations Gaming Policy and the Regulation in accordance with this Agreement.
- H. The First Nation, as evidenced by Band Council Resolution, has approved the execution of this Agreement.

THEREFORE the Department agrees to provide grants to Alberta First Nations subject to and in accordance with the following terms and conditions:

#### 1.0 INTERPRETATION

1.1 **Definitions** – In this Agreement, the following expressions have the following meanings:

**“Alberta First Nation”** means a band within the meaning of the *Indian Act* (Canada) with reserve land located within the Province of Alberta.

**“Alberta Lottery Fund”** means the Lottery Fund established under the *Interprovincial Lottery Act*, RSA 1980 Chapter I-8, as continued by section 25(1) of the *Gaming and Liquor Act*, RSA 2000 Chapter G-1.

**“Casino”** means a casino facility, or that portion of a facility, that is subject to the regulatory jurisdiction of the Alberta Gaming and Liquor Commission and licensed under the *Gaming and Liquor Act* (Alberta).

**“Dedicated Gaming Facility”** means a gaming facility other than a Casino that is subject to the regulatory jurisdiction of the Alberta Gaming and Liquor Commission and licensed under the *Gaming and Liquor Act* (Alberta).

**“First Nations Development Fund Grant Program”** or **“Grant Program”** means the grant program established by the Department in accordance with the Regulation, this Agreement, and the First Nations Gaming Policy.

**“First Nations Gaming Policy”** or **“Policy”** means the First Nations Gaming Policy developed by the Province of Alberta in consultation with the Alberta First Nations, as adopted and ratified by Resolution # SC-12-06-00-001 of the Chiefs’ Summit on December 6, 2000, the essential elements of which are contained in the document entitled “Essential elements of a proposed new First Nations Gaming Policy”, a copy of which is attached as Attachment A, together with such further and other materials prepared by the Government of Alberta in respect of First Nations gaming in Alberta.

**“Host First Nation”** includes

- (i) an Alberta First Nation that is a signatory to this Agreement and on whose reserve land there is located an Alberta First Nation Casino; and
- (ii) two or more Alberta First Nations that have entered into an agreement pursuant to 1.3.

**“Member”** means a person whose name is recorded, as of January 1<sup>st</sup> in any year, on a Band List, as defined by the *Indian Act*, whether maintained by Canada or the First Nation.

**“Non-Host First Nation”** means an Alberta First Nation that is a signatory to this Agreement and is not a Host First Nation.

**“Reasonable Administrative Costs”** means for the purposes of this Agreement

- (i) those costs incurred by the Department for approved or required activities, work or expenses, the cost or expense of which are reasonable having regard

- to all circumstances and comparable to administrative costs of other Alberta Lottery Fund grant programs administered by the Department; and
- (ii) those costs deemed to be Reasonable Administrative Costs under 5.5, 7.1 and 7.3.

**“Security Interest”** means an interest granted to a third party in the grant monies received or to be received pursuant to the Grant Program that secures payment or performance of an obligation by the First Nation to the third party. For clarity, the parties agree that banking arrangements with financial institutions which allow for the automatic removal of funds from the First Nation’s bank accounts in accordance with 4.3, and which do not secure payment or performance of an obligation by the First Nation, shall not be considered to be a Security Interest.

**“Slot Machine Proceeds”** means the revenue from slot machines located at a Casino located on Alberta First Nations reserve lands less (a) any amounts paid for prizes and (b) any leasing costs of the machines incurred by the Alberta Gaming and Liquor Commission, to the extent such leasing costs are deducted from the calculation of “net sales” in relation to leased slot machines allocated to operators of casinos other than Alberta First Nation Casinos.

- 1.2 Status – Host vs. Non-Host** - For the purposes of this Agreement, an Alberta First Nation will become a Host First Nation when the Casino located on its reserve lands, or the reserve lands of another in the case of an agreement entered into pursuant to 1.3, commences operations and would cease to be a Host First Nation when, for any reason, the Casino ceases to be licensed under the *Gaming and Liquor Act* (Alberta).
- 1.3 Agreement Between Two or more First Nations** – For the purposes of this Agreement, and subject to 4.1(iii), an Alberta First Nation on whose reserve land is located a Casino may enter into an agreement with one or more Alberta First Nations on whose reserve land there is not located a Casino whereby all such Alberta First Nations shall be considered by the Department to be one Host First Nation.

## **2.0 PROJECT IDENTIFICATION**

- 2.1 Eligible Uses** – In accordance with the Grant Program, the First Nation may apply from time to time in a form required by the Department for a grant that will be used for economic, social and community development projects, including addictions programs, education, health and infrastructure (the “Project(s)”). The Department may approve Projects that are to be completed or carried out over a period of time exceeding one year. The First Nation will use any approved grant funds only for the Projects.
- 2.2 Other Funding Sources** – An approved grant pursuant to the Grant Program cannot be used as the matching portion to any other Alberta Lottery Fund grant.
- 2.3 Number of Projects** – The First Nation will indicate the amount of the grant that is requested for each identified Project. The amount of the grant may be revised from time to time on request by the First Nation and with the written agreement of the Department.

**2.4 Third Party Support** – Where a proposed Project involves land, facilities, or programs under the direction or ownership of another party arm’s length from the applicant, the grant application must include a written statement from that other party in support of the Project.

**2.5 Application Signatory** – An application for a grant must be submitted by a First Nation and signed by the individual holding the position authorized by the First Nation to make such applications with the Department. The signed application must be accompanied by a Band Council Resolution supporting the proposed use of the grant monies and identifying the position or positions authorized to:

- (i) sign grant applications and this Agreement on behalf of the First Nation; and
- (ii) provide required financial reporting for Projects pursuant to 5.2.

**2.6 Ineligible Uses -**

- (i) A grant pursuant to the Grant Program must be used for its approved purpose and cannot be used:
  - (a) For operations or financing of a Casino. Without restricting the generality of the foregoing, grants pursuant to the Grant Program cannot be used:
    - To finance the development or acquisition of a Casino or Dedicated Gaming Facility or gaming equipment;
    - To meet any operating or development costs, including but not limited to debt servicing costs, or repair and maintenance costs, associated with any gaming activity, Casino or Dedicated Gaming Facility; or
    - To subsidize any rates, pay for special promotions, or subsidize any gaming activity, or any Casino or Dedicated Gaming Facility.
  - (b) For per capita distributions, meaning a general distribution of money or other property, whether directly or indirectly, on a per capita basis.
- (ii) The First Nation shall not create or provide for a Security Interest in the grant monies received or to be received pursuant to the Grant Program.
- (iii) In accordance with Articles 3 and 7, the Department, in consultation with the First Nation and the Alberta Gaming and Liquor Commission, will have the right to decide any question about whether any grant or portion thereof that is or has been paid pursuant to the Grant Program is proposed to be or has been spent on an ineligible use.

**3.0 PROJECT APPROVAL**

**3.1 Review and Approval** – The Department will, at the request of the First Nation, make liaison officers available to work on location with applicants to assist in the preparation of a grant application. Grant applications will be reviewed for completeness, including, but not limited to ensuring the application form is complete, the Project is consistent with the Grant Program, the Project is properly described, Project revenues and expenditures are

identified, the request for the grant is provided, rationale for costs in excess of costs of similar projects is provided, and the applicant has received adequate professional advice related to the Project. Once complete, the application will receive a final review by the Program Manager, Lottery Funding Programs, who will recommend approval, modification or denial of the amount of funding applied for by the First Nation. For any recommendation of modification or denial, the Department will provide the First Nation with the recommendation and the First Nation will have 30 calendar days from receipt to serve written notice on the Department in accordance with 9.2 disputing the recommendation. If no notice of dispute is received by the Department within the said 30 calendar day period, or if the First Nation waives the 30 calendar day period, the Department shall proceed on the basis of, and in accordance with, the recommendation. If a notice of dispute is received by the Department within the 30 calendar day period, then 7.1 to 7.4 shall apply and the Department shall consider any opinion or finding arising out of the dispute resolution process in 7.1 to 7.4 and may approve, modify or deny the amount of funding applied for by the First Nation.

- 3.2** The Department shall use its best efforts to evaluate proposed Projects and respond to grant applications in a prompt and timely fashion.

#### **4.0 FUNDING**

- 4.1 Available Funding** – The amount of funding available under the Grant Program for each Government of Alberta fiscal year, being April 1<sup>st</sup> to March 31<sup>st</sup>, is:

- (i)** For each Host First Nation, an amount equivalent to 30% of the Slot Machine Proceeds from the Casino that is located on the Host First Nation reserve lands, less Reasonable Administrative Costs associated with the Grant Program to be allocated to the Host First Nation in accordance with 4.1(iv).
- (ii)** For each Non-Host First Nation, an amount equivalent to 10% of the Slot Machine Proceeds from all licensed casinos located on Host First Nations' reserves, less Reasonable Administrative Costs associated with the Grant Program to be allocated in accordance with 4.1(iv) (the "Non-Host Proceeds"), divided as follows between all Non-Host First Nations:
  - a. The Non-Host Proceeds multiplied by 50% and thereafter multiplied by the percentage which the population of each Non-Host First Nations Members represent of the population of the Members of all Non-Host First Nations in Alberta; and
  - b. The Non-Host Proceeds multiplied by 50% and thereafter multiplied by the percentage which each Non-Host First Nation represents of the total number of all Non-Host First Nations in Alberta, with the determination of the number of recognized Indian Bands in Alberta to be based upon the records as kept by the Federal Department of Indian and Northern Affairs as at January 1<sup>st</sup> preceding the fiscal year.



- (iii) Where, pursuant to an agreement under 1.3, two or more Alberta First Nations agree to be treated as one Host First Nation for the purpose of this Agreement, each of these Alberta First Nations will provide the Department with the determination method by which available funds should be allocated among these Alberta First Nations. Such instructions must be approved by a Band Council Resolution from each of these Alberta First Nations.
- (iv) For the purposes of 4.1(i) and (ii), Reasonable Administrative Costs associated with the Grant Program shall be allocated:
  - (a) to each Host First Nation in an amount which shall be a percentage of the Reasonable Administrative Costs equal to the total amount of proceeds received by the First Nation pursuant to this Agreement divided by 40% of Slot Machine Proceeds; and
  - (b) to each Non-Host First Nation in an amount which shall be a percentage of the Reasonable Administrative Costs equal to the total amount of proceeds received by the First Nation pursuant to this Agreement divided by 40% of Slot Machine Proceeds.

**4.2 Payment of Grants** – Subject to the actual generation of Slot Machine Proceeds at one or more First Nations’ Casino, and the ongoing compliance of the First Nation with the Grant Program, and on approval of a grant application from the First Nation by the Department and in accordance with the Regulation, the Department agrees to administer grants for approved Projects as follows:

- (i) In order for the First Nation to be eligible to receive grants for approved Projects in any given fiscal year, the First Nation must submit a signed copy of this Agreement and completed applications for Projects no later than December 15 of that fiscal year;
- (ii) Where the amount available for a First Nation under the Grant Program exceeds or is equal to the amount of annual funding approved for the Project in the First Nation’s grant application, the grant will be equal to the approved annual amount for the Project;
- (iii) Where the amount available for a First Nation under the Grant Program is less than the amount of annual funding approved for the Project in the First Nation’s grant application, the grant will be equal to the amount available with additional amounts provided quarterly as Slot Machine Proceeds to which the First Nation is eligible are generated to the maximum of the approved annual amount;
- (iv) No grants will be made by the Department to any First Nation that is not in compliance with 5.2 or the reporting requirements of any lottery-funded program administered by the Department; and
- (v) Where completed applications for Projects received by December 1<sup>st</sup> total less than the amount of available funding for that fiscal year, the difference between the available funding for the fiscal year for the First Nation and the completed applications for Projects for the First Nation will, if greater than \$100,000.00 be

available for re-distribution among all other First Nations in compliance with 4.2(i) using the distribution method described in 4.1 (ii). If the difference is not greater than \$100,000.00 such funds will be applied to reduce the Reasonable Administrative Costs referred to in 4.1.

**4.3 Banking Arrangements** – The First Nation agrees to deposit all grant monies provided by the Department into a separate interest bearing account with a branch of a financial institution licensed and doing business in Alberta and that all interest income earned on the grant monies will be considered part of the grant. Funds may only be withdrawn from this account for payments associated with approved Projects or for the return of any funds to the Department in accordance with this Agreement.

**4.4 Duration** - If for any reason a grant is not expended for the approved Project within twenty-four months of its payment to the First Nation by the Department, any funds not used or committed, including accrued interest, for the approved Project shall be returned forthwith to the Department, unless otherwise agreed to in writing by the Department, such agreement to extend not to be unreasonably withheld by the Department.

**4.5 Change of Use** – If for any reason an approved Project does not proceed or if all approved funding is not required for the Project, the First Nation may apply in writing to have the approved funding used for a substitute Project. Approval of the change in use and substitute Project will be subject to 2.0 and 3.0.

**4.6 Repayment** – The First Nation shall be required to return to the Department the proceeds up to the grant amount if the grant was used to acquire, construct, renovate, expand, enhance or upgrade any real or personal property, and the property is sold, assigned, transferred, or pledged as security within five years of the payment of the grant by the Department to the First Nation and the proceeds from such transactions (the “Transactions”) are used for an ineligible use as determined by the Department in accordance with 2.6. In addition, the First Nation may be required to repay to the Department the proceeds from the sale over the grant amount. The First Nation is responsible for notifying the Department of these events and identifying the proposed use of the proceeds. In the event that there is a dispute as to whether the proceeds from the Transactions are used for an ineligible use pursuant to 2.6, then 7.1 to 7.4 shall apply.

## **5.0 ACCOUNTABILITY**

**5.1 Budgets** – The First Nation shall provide a budget for each identified Project as part of its application, including estimated revenues from all sources as well and particulars of cost estimates and any donated labour, services, material and equipment.

**5.2 Reporting** – Within 90 days of completion of each Project, the First Nation shall provide a financial report in the form required by the Department for each approved Project detailing the revenue received from all sources including interest income as well as the costs and any donated labour, services, material and equipment received in comparison to the budget provided with the grant application for the Project. Explanations of significant variance or delays must be provided. For approved Projects greater than \$100,000.00, such financial reporting must be reviewed and signed by a Chartered Accountant, Certified General

Accountant, or Certified Management Accountant, who is registered under Part 3 of the *Regulated Accounting Profession Act* R.S.A. 2000 c.R-12, (a “Registered Accounting Professional”). For approved Projects up to \$100,000.00, such financial reporting must be reviewed and reported on by a Registered Accounting Professional or by a representative of the First Nation whose position has been authorized by Band Council Resolution to provide the required financial reporting for Projects on behalf of the First Nation. In addition, by June 30<sup>th</sup> of each year, the same reporting must be provided for each Project that was not complete at March 31<sup>st</sup> of that year.

- 5.3 Monitoring** – The First Nation shall, during the duration of the approved Project and for a period of three years thereafter for any grants received, (i) maintain appropriate and comprehensive records and books of account, and (ii) keep those records and books of account available for inspection by the Department or its agents (including the Auditor General of Alberta or any representative designated by the Department) at all reasonable times upon reasonable notice, for determining the First Nations compliance with this Agreement.
- 5.4 Auditing** – The Department or its agents (including the Auditor General of Alberta or any representative designated by the Department) may from time to time upon reasonable notice to the First Nation, carry out an audit of the records and books of account required to be maintained by this Agreement and to attend at the premises where any approved Project is located for the purpose of determining compliance with this Agreement and how any grants provided were used by the First Nation. The First Nation shall permit the Department or its agents to have full access to and review of the records and books of account and to make copies of any of them.
- 5.5 Costs of Audit** – Reasonable audit costs for any audit carried out pursuant to 5.4 shall be a Reasonable Administrative Cost within the meaning of 4.1, provided that if an audit discloses non-compliance with the provisions of this Agreement by a First Nation, the costs of that audit will be allocated to the grant funds available for distribution to that First Nation.
- 5.6 Additional Costs of Audit** – Where, pursuant to an audit carried out under 5.4, any additional costs are incurred as a result of non-compliance with 5.3 by the First Nation, such costs will be allocated to that First Nation.
- 5.7 Public Reporting** – The Department will, from time to time, publish information on its website or elsewhere about the Projects funded by grants under the Grant Program in a similar manner to information provided about other lottery-funded grant programs, including the name of the grant recipient, a brief description of each approved Project and the amount of funding provided for each Project during the fiscal year.
- 6.0 NON-COMPLIANCE**
- 6.1 Events of Default** – It shall be an Event of Default if the First Nation breaches any provision of this Agreement and, upon receiving notice of the breach, fails to institute appropriate remedial action within 14 calendar days thereafter and diligently pursue such remedial action until the breach is remedied; or

**6.2 Suspension For Default** – Upon the occurrence of any Event of Default, the Department by 14 calendar days notice to the First Nation may discontinue grants and may suspend operation of this Agreement. In the event of such suspension, the First Nation shall immediately pay to the Department the unexpended portion of any grants, including interest income. Any funding that would otherwise be available to the First Nation will be used first to cover the costs of investigating the Event of Default and thereafter be considered to be available funding as contemplated in 4.2(vi) and shall be distributed as such in accordance with 4.2(vi). The Agreement will remain suspended until such time as the First Nation remedies the Event of Default to the satisfaction of the Department.

6.3 The First Nation, upon the receipt of service of the notice by the Department in accordance with 6.2, may within the said notice period serve written notice on the Department in accordance with 9.2 disputing the determination that an Event of Default has occurred. If a notice of dispute is received by the Department within the said notice period, then 7.1 to 7.4 shall apply and the Department shall consider any opinion or finding arising out of the dispute resolution process in 7.1 to 7.4. Service of a notice of dispute under this clause or the application of 7.1 to 7.4 does not prevent the suspension of the Agreement, and consequences thereof, under 6.2.

## **7.0 DISPUTE RESOLUTION**

**7.1 Mediation** – In the event a notice of dispute is served in accordance with 3.1, 4.6 or 6.3, and if discussion between senior officials of the Department and the First Nation fails to produce a resolution, then the Department and the First Nation shall within 7 calendar days of service of the notice of dispute designate one senior official and one representative respectively, and confer on their designates authority to resolve the dispute. If the two designated persons cannot agree on a resolution within 14 calendar days, or such sooner time as the parties may agree, the dispute shall be jointly referred to consensual mediation. Mediation will proceed on the following basis:

- (a) If the parties cannot agree on a mediator either party may ask the President or the Executive Director of the Alberta Arbitration and Mediation Society (or any successor organization) to assist in the selection process;
- (b) The costs of the Mediator will be a Reasonable Administrative Cost within the meaning of 4.1. Any other costs, including legal fees and other disbursements, will be the responsibility of the party that incurs them;
- (c) No evidence of anything said or of any admission or communication made in the course of the mediation shall be admissible in any legal proceedings except with the consent of both parties; and
- (d) Notwithstanding any other provision of this Agreement, the parties may agree at any time to skip mediation and proceed directly to non-binding arbitration under 7.3.

**7.2 Mediation Terminated** - Mediation proceedings will be terminated:

- (a) If either party serves notice that it is not willing to continue, or
- (b) if the Mediator serves notice that in his opinion it is in the best interest of the parties to do so.

**7.3 Non-binding Arbitration** – A dispute arising pursuant to 3.1, 4.6, or 6.3 which is not resolved pursuant to the provisions of 7.1 shall be submitted to an arbitrator, chosen by mutual consent by the parties (the “Arbitrator”). The costs of the arbitrator shall be a Reasonable Administrative Cost within the meaning of 4.1. Any other costs including legal fees and other disbursements will be the responsibility of the party that incurs them. The parties may present oral or written submissions or both to the Arbitrator at the Arbitrator’s discretion. The Arbitrator will provide a written opinion to the parties in accordance with 9.2.

**7.4 Consideration of opinion** - The findings of the Arbitrator pursuant to a dispute arising pursuant to 3.1, 4.6 or 6.3 are not binding and final upon the parties and will be forwarded to the Department for consideration. The Department may accept or reject, in whole or in part the findings of the Arbitrator in making a decision under 3.1, 4.6 or 6.3.

## **8.0 CONDUCT OF PARTIES DURING DISPUTE RESOLUTION**

**8.1** The Parties will continue to act in good faith in the implementation of this Agreement during any dispute resolution proceedings under 7.0 and the parties acknowledge and confirm that, unless the Agreement is suspended under 6.2, all other provisions of this Agreement remain in full force and effect and the rights, duties and obligations arising under this Agreement shall not be abridged or modified.

## **9.0 COMMUNICATIONS**

**9.1 Freedom of Information** – The terms of this Agreement are subject to disclosure under the *Freedom of Information and Protection of Privacy Act*, RSA 2000, Chapter F-25.

**9.2 Notices** – Any notice, approval, consent or other communication under this Agreement must be in writing to be effective, and is effective when delivered by any means, including fax transmission, to the following respective addresses:

- (a) If to the Department:

Deputy Minister  
Alberta Gaming  
50 Corriveau Avenue  
St. Albert, Alberta  
T8N 3T5

Fax: (780) 447-8950

- (b) If to the First Nation, at the Notice address identified in the most recent grant application submitted by the First Nation to the Department, with a copy to the Chief of the First Nation.

Either party may change its address information by giving notice to the other in the above manner.

- 9.3 Announcements** – The First Nation shall not make any public announcement or issue a press release regarding a grant or the entering into of this Agreement, except with the prior approval of the Department as to the contents and timing of the announcement or press release, which approval shall not be unreasonably withheld.

## **10.0 OTHER PROVISIONS**

- 10.1 Mutual Hold Harmless** – The Parties covenant and agree to indemnify and save harmless each other, and their respective employees and agents, from and against any claims, demands, actions, causes of actions, damages, losses, costs, liabilities, or expenses for which they are legally responsible. The indemnity obligation hereunder applies only to the extent that such claims, demands, actions, causes of actions, damages, losses, costs, liabilities and/or expenses, as applicable, have not been reimbursed by insurance and have not arisen or resulted from the Party seeking indemnification's negligence or wilful misconduct or the breach by the Party seeking indemnification of any of its obligations hereunder. The Parties shall not be entitled to any indemnification from each other in respect of any matter or thing which is the subject of an indemnity in this Article unless it shall have given written notice of its claim for indemnification's (including reasonable particulars of its claim for indemnification) to the other Party within fifteen (15) days of it first becoming aware of the matter in respect of which the potential claim for indemnity is being sought. The indemnities given hereunder shall survive the termination of this Agreement for a period of two (2) years.
- 10.2 No Agency** – Nothing in this Agreement is intended to create any relationship of agency, partnership or joint venture between the Department and the First Nation.
- 10.3 Further Assurances** – The parties agree to do from time to time all such acts and provide such further assurances and instruments as may reasonably be required in order to carry out the provisions of this Agreement according to their spirit and intent.
- 10.4 Amendment and Waiver** – No amendment of this Agreement is effective unless made in writing and signed by a duly authorized representative of each of the parties. No waiver of any provision of this Agreement is effective unless made in writing, and any such waiver has effect only in respect of the particular provision or circumstance stated in the waiver. No representation by either of the parties with respect to the performance of any obligation under this Agreement is capable of giving rise to an estoppel unless the representation is made in writing.
- 10.5 Assignment** – The First Nation may not assign this Agreement or any right or benefit under it to any other person.
- 10.6 Time** – In this Agreement, time is of the essence.

**10.7 Recitals and Schedules** – The recitals and any schedules attached to this Agreement are incorporated into and form a part of this Agreement.

**10.8 Counterparts** – This Agreement may be executed in two or more counterparts, and each executed counterpart shall, for all purposes, be deemed an original and shall have the same force and effect as an original, all of which together shall constitute, in the aggregate, one and the same Agreement.

The Department and First Nation have therefore signed this Agreement to be effective on the date first written.

HER MAJESTY THE QUEEN IN  
RIGHT OF ALBERTA As Represented By the  
Minister of Gaming

Per: \_\_\_\_\_  
Deputy Minister

FIRST NATION

Per: \_\_\_\_\_  
Authorized signatory



## Attachment A

### Essential elements of a proposed new First Nations Gaming Policy

Essential elements of a proposed new First Nations Gaming Policy:

- The Alberta First Nations Gaming Policy will be based on Alberta’s charitable gaming model.
- For purposes of the First Nations casinos, the host First Nation will be designated as the “charity,” through a distinct non-profit entity.
- The Alberta Gaming and Liquor Commission (AGLC) regulatory and policy framework will be followed – as per all casino facilities.
- Conditions consistent with existing AGLC Casino Terms and Conditions (e.g. hours of operation, etc.) will be in effect – as per all casino facilities.
- The host first Nation charity will be permitted to pay its “volunteers”.
- Prevailing audit, reporting and use of proceeds requirements for the facility licensee, operator and charity will be followed. The Auditor General will have the ability to audit related to use of proceeds, as well as Lottery Fund expenditures – as per current casino licenses and lottery fund expenditures.
- The casino event licensee (host First Nation charity) and the casino facility licensee must be clearly separate and distinct entities – as per current casino facilities. The casino facility licensee may contract out casino operations/services to an Alberta “registered gaming supplier”.
- As part of the host operator’s casino facility license application, there must be demonstrated local community (First Nation) acceptance of a proposed casino development.
- Casino revenue splits:
  - (a) Table games – Splits will be determined on a casino-by-casino basis, taking into account the operator’s fee. The operator’s portion will range from 50% to 75%, while the charity portion will range from 25% to 50% - as per current casinos.
  - (b) Slot machines – Operator: 15% (as per current casinos)  
Host First Charity: 15% (as per current casinos)  
Alberta Lottery Fund: 70% (as per current casinos)
- The 70% Alberta Lottery Fund portion will be used as follows:
  - (a) 40% of the total will fund a new Lottery Fund Initiative, the “First Nations Development Fund”.
  - (b) 30% of the total will be available for traditional Lottery Fund Initiatives.
- The first Nations Development Fund would be separate from the First Nations Gaming Policy and set up similar to existing lottery-funded foundations (e.g. Wild Rose Foundation, Foundation for the Arts). The Fund would operate under the aegis and authority of a provincial government department. It is proposed that the dollars available to the Fund would be assigned on the basis of 75% to host First Nation(s) and 25% to non-host First Nations.

Dollars distributed from this Fund would be available for economic and community development, addictions programs, education, health and infrastructure projects. Fund dollars cannot be used for casino operations or financing.

Details with regard to the Fund's operating principles, funding guidelines, administration, etc, will be developed by a joint committee of a government and First Nations representatives.


Note: For the purposes of the First Nations Gaming Policy, a host First Nation is a First Nation with an operating casino licensed by the Province of Alberta and located on an Indian reserve set apart prior to January 1, 2001, or on a reserve set apart after that date which is contiguous to an existing reserve and to which the Province of Alberta has consented.





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ISBN 978-1-4601-1981-5 (Print)  
ISBN 978-1-4601-1982-2 (PDF)



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