



## Business Management Skills Grant Program Terms and Conditions

### Purpose

The purpose of the *Growing Forward 2* Business Management Skills Grant Program is to enable business training that increases management capacity leading to better decisions and industry growth. The Program supports training activities that strengthen the management capacity and business management skills of the management teams of primary agriculture operations and agri-businesses. The Program targets current and future businesses that are developing business skills and are able to demonstrate how this training will benefit the agriculture industry and/or their rural community.

Attendance at Eligible Courses by Applicants who are individuals will develop business management skills and critical industry networks, as well as encourage the implementation of business skills activities in the agriculture industry.

Attendance at Eligible Courses by groups of board members from Producer Groups, Industry Organizations and Agri-Processors will develop the business management skills of these board members.

There is limited funding in the Program. Applications will be considered for approval on a first-come, first-served basis, subject to the Program funding constraints.

If an Application is approved by the Minister, the Applicant will be sent an Approval Letter.

1. **Definitions:** In these Program Terms and Conditions, the following terms have the following meanings:
  - 1.1 **AF:** means Alberta Agriculture and Forestry;
  - 1.2 **Agricultural Organizations:** means not-for-profit agencies, boards, commissions, associations or societies:
    - (a) operating in Alberta;
    - (b) whose membership includes individuals and businesses that are actively engaged in representing Primary Producer or Agri-Processor members; and
    - (c) who have a strategic initiative to further the competitiveness, innovation, adaptability and capacity of Alberta's agriculture and agri-food industry, but does not include not-for-profit agencies, boards, commissions, associations or societies that are primarily focused on aquaculture;
  - 1.3 **Agriculture Service Provider:** means an individual or Alberta registered entity that provides products or services that support agri-businesses;
  - 1.4 **Agri-Processor:** means an Alberta registered entity that:
    - a) is active in the business of changing a raw agricultural product into a value-added product through physical, chemical, or thermal means, including packaging;

- b) contracts to have product(s) processed and packaged on its behalf; or
  - c) operates one or more processing facilities that are formally registered by federal or provincial inspection authorities, and which markets its products through wholesale distribution channels (e.g. to retail, or to foodservice) and does not sell exclusively through an on premise or single company owned retail outlet;
- 1.5 **Applicant:** means the legal entity that submits an Application and meets the eligibility criteria in s. 2.1;
- 1.6 **Application:** means the Program application form and all documents required to be submitted pursuant to that form and the Program Terms and Conditions;
- 1.7 **Approval Letter:** means the letter sent by AF to an Applicant notifying the Applicant that the Applicant has been approved for a grant, specifying the amount of the grant, describing the Eligible Activities, and listing the Eligible Expenses, as may be amended;
- 1.8 **Eligible Activities:** means the activities listed in the Approval Letter that have Eligible Expenses associated with them;
- 1.9 **Eligible Course:** means a course described in sections 2.3.1 and 2.3.2;
- 1.10 **Eligible Expenses:** means the expenses listed in the Approval Letter;
- 1.11 **Federal Crown:** means Her Majesty the Queen in Right of Canada;
- 1.12 **Growing Forward 2:** means the federal-provincial-territorial initiative to create a competitive, adaptable and sustainable agriculture sector in Canada.
- 1.13 **Minister:** means the Minister of AF and authorized representative(s);
- 1.14 **New Entrant:** means an individual or an Alberta registered entity operating in Alberta that files their Canada Revenue Agency (CRA) Income Tax and Benefit Return in Alberta and:
  - (a) is new to a farming or processing enterprise;
  - (b) intends to establish a farm or processing business and can demonstrate that their operation will be able to generate \$10,000 or more in gross income; or
  - (c) has owned and operated a farm or processing business for less than three years and can demonstrate, in a format acceptable to the Minister, proof of ownership or control of productive agricultural assets or processing assets (own/rent/lease) to generate \$10,000 in gross income;
- 1.15 **Primary Producer:** means an individual or an Alberta registered entity:
  - a) that is operating in Alberta;
  - b) that is responsible for the day-to-day management and work on the farm, including responsibility for input costs for agricultural crops or livestock and produces at least \$10,000 worth of farm commodities annually, but does not include a landlord whose only interest in the crop or livestock is that of ownership of the land;
- 1.16 **Program:** means the Business Management Skills Grant Program;
- 1.17 **Program Term:** means the time period from April 1, 2013 to February 28, 2018;
- 1.18 **Program Terms and Conditions:** means the terms and conditions for the Program set out in this document, as may be amended;
- 1.19 **Term:** means the time period between the start date and the end date stated in the Approval Letter;
- 1.20 **Provincial Crown:** means Her Majesty the Queen in Right of Alberta;
- 1.21 **Request for Payment Form:** means the form to be submitted by the Applicant together with all documentation required to be submitted pursuant to that form and the Program Terms and Conditions, to request payment from the Program;

- 1.22 Senior Manager:** means a permanent, full time employee whose responsibilities focus on agriculture and/or food matters and who is responsible for making business decisions related to planning, staffing, purchasing, resource allocation and its use, but does not include a supervisor whose only responsibility is supervising staff (for example production line supervisors, night managers).

## 2 Eligibility

### 2.1 Eligible Applicants

**2.1.1** Subject to s. 2.1.2 to apply to the Program, an Applicant must be:

- a) a Primary Producer;
- b) a New Entrant;
- c) an Agricultural Organization primarily focused on agriculture and food; or
- d) Agri-Processor that:
  - i. has a physical manufacturing or processing presence in Alberta; or
  - ii. demonstrates an established location with an Alberta located co-packer (toll processing).

**2.1.2** For a Primary Producer, New Entrant, Agricultural Organization, or Agri-Processor to be eligible (pursuant to s. 2.1.1), they must be registered and in good standing on the Alberta corporate registry if they are any entity that is eligible for registration.

**2.1.3** The Minister has the absolute discretion to limit the number of approved Applicants from the same farming operation or family, or from the same or related organization(s), to a reasonable number, in the sole discretion of the Minister.

### 2.2 Ineligible Applicants

**2.2.1** The following are not eligible to apply to the Program:

- a) research stations, post-secondary institutions and other organizations funded in whole or in part by the government;
- b) a federal, provincial, municipal government, agency or institution;
- c) an agricultural society;
- d) Agriculture Service Providers (eg. custom services, consulting services, general services, equipment retailer, fertilizer companies, agronomic consultants, gas coops, water coops, rural electrification associations, financial lenders, etc.);
- e) Agricultural Organizations primarily focused on aquaculture; and
- f) any other entity deemed by the Minister to be ineligible.

### 2.3 Eligible Activities (must be approved by the Minister):

**2.3.1** Subject to s. 2.3.2, activities under the Program must include enrolment in courses/programs that are focused on business management skills and training, including:

- a) marketing skills training (e.g. social marketing, market research and survey training, international marketing);
- b) financial management skills training (e.g. bookkeeping training, business financial analysis training, budgeting training);
- c) risk management skills training (e.g. price risk training, market risk training, business risk training);

- d) productivity improvement training;
- e) leadership skills training (e.g. team building and group facilitation training, media training, conflict resolution and consensus building training, coaching and mentoring skills development, communication skill development, strategic thinking and planning, board governance);
- f) human resource skills training (e.g. organizational change human resource management training; and
- g) farm safety training (eg. farm safe plans, sustainable farm family planning).

2.3.2 The course/programs must be for the training of:

- a) an individual Primary Producer;
- b) an individual New Entrant;
- c) one or more Senior Manager(s) of a Primary Producer or New Entrant; or
- d) one or more executive director(s), director(s) on the board of directors, or Senior Manager(s), of either an Agricultural Organization or Agri-Processor.

2.3.3 To be eligible under the Program, each course/program must have a course/program curriculum that is independently verifiable by AF.

2.3.4 Notwithstanding s. 2.3.1, the determination of whether a course or an activity is eligible under this Program is in the sole discretion of the Minister.

2.3.5 If an Applicant is approved, all Eligible Activities must be started and completed by the Applicant during the Term.

## 2.4 Ineligible Activities

2.4.1 Activities that are not eligible under the Program include:

- a) post-secondary education programs (Degree, Diploma, Master Degree or PhD) available at colleges, universities and technical institutes;
- b) technical skill development (e.g. trades and apprenticeships);
- c) training courses related to production or operations;
- d) professional designation training used for certification;
- e) conferences and learning events or initiatives;
- f) sponsorship of individual speakers or speaker series;
- g) travel and transportation costs (including meals, airline tickets and hotels);
- h) activities that were started or completed by the Applicant prior to the date the Application was submitted to AF;
- i) courses/programs deemed to be unrelated to the purpose of the Program, in the sole discretion of the Minister; and
- j) any other activity deemed to be ineligible by the Minister.

## 2.5 Eligible Expenses (must be approved by the Minister)

2.5.1 The following expenses may be included in an Application:

- a) registration/ tuition fees for Eligible Courses; and
- b) consulting service fees for Eligible Courses taught to multiple Senior Employees, executive directors or directors on the board of directors of an Applicant.

**2.5.2** In incurring Eligible Expenses, the Applicant must follow a process that is transparent, fair, and promotes the best value for the money expended. Eligible Expenses incurred by the Applicant must be at competitive prices that are no greater than fair market value.

**2.5.3** If the Minister, in his sole discretion, considers the amount of any Eligible Expense claimed by the Applicant to be unreasonable, the Minister may adjust the amount of that Eligible Expense to an amount the Minister considers reasonable.

## **2.6 Ineligible Expenses**

**2.6.1** Expenses that are not eligible for re-imburement under the Program and which may not be included in an Application include:

- a) costs for the purchase of capital items including computers, office equipment, equipment and construction costs for buildings, on-farm and post-farm infrastructure, plant upgrades, and land;
- b) costs for the lease of office furniture, space and equipment;
- c) costs for leasehold improvements;
- d) travel expenses;
- e) Goods and Services Tax (GST) or other provincial, federal, harmonized or state tax;
- f) costs funded through any other federal, provincial or municipal government grants, programs or projects; and
- g) any other expense deemed by the Minister to be an ineligible expense.

## **3 Applications**

**3.1** Applications must be submitted by the Applicant and received by AF or postmarked on or before the deadline stated on the Alberta Growing Forward 2 website for the Program.

**3.2** Applications submitted to AF must include:

- a) a completed Program application form, signed by an authorized representative of the Applicant, and all documents required to be submitted pursuant to the Program application form and the Program Terms and Conditions, including a copy of the curriculum(s) for all Eligible Course(s); and
- b) any supplementary documentation requested by the Minister.

**3.3** Applications must be submitted directly to Manager, *Growing Forward 2* Grant Programs, Agriculture and Forestry, Agriculture Business Centre 6547 Sparrow Drive Leduc AB, T9E 7C7.

**3.4** Applications will only be considered for funding if Eligible Courses commence after an Application is submitted to AF, and will be completed no later than February 1, 2018. Any Eligible Courses listed in the Application that were commenced by the Applicant prior to the date the Application was submitted are not eligible for funding.

**3.5** The Minister will not approve an Application for which the total grant request is \$500 or less.

**3.6** There is limited funding in the Program. Applications will be considered for approval on a first-come, first-served basis, subject to the Program funding constraints.

- 3.7 Applications must be signed by the Applicant or on behalf of the Applicant by a properly authorized representative of the Applicant. The Minister may require evidence of authorization. Personal designates are not permitted to sign Applications unless they have Power of Attorney (submitted with the Application).
- 3.8 The Minister may reject any Application that is inaccurate, incomplete or ineligible in the sole discretion of the Minister.
- 3.9 The Application will not be considered complete unless the Statement of Certification on the Application is signed.
- 3.10 Submission of an Application does not entitle the Applicant to a grant under the Program.
- 3.11 The Applicant acknowledges that the grant may not be sufficient to cover the entire cost of the Eligible Activities, and that the Applicant shall be solely responsible for raising funds from other sources to complete these activities. The Applicant acknowledges that the grant is the only financial assistance the Minister will provide under the Program to the Applicant for the Eligible Activities.
- 3.12 If an Applicant's Application is approved by the Minister, the Applicant will be sent an Approval Letter.

#### **4 Amendments to the Approval Letter**

- 4.1 An Approval Letter may be amended as follows during the Term:
  - a) The Applicant may request that:
    - i. activities described in s. 2.3 be added to or removed from the Approval Letter;
    - ii. expenses described in s. 2.5 be added to or removed from the Approval Letter; or
    - iii. the Term be changed,by submitting a written request to the Minister outlining and justifying the proposed amendments.
  - b) If the Minister approves a proposed amendment, the Minister will send an amendment letter to the Applicant.
- 4.2 The Minister is not required to approve any proposed amendment to an Approval Letter.
- 4.3 Prior to the Applicant receiving an amendment letter from the Minister, any activities undertaken by the Applicant or expenses incurred by the Applicant that are not described in the Approval Letter are undertaken and incurred by the Applicant at the Applicant's own risk as they may not be approved or funded by the Minister.

#### **5 Funding Level**

- 5.1 The Program provides grants on a cost shared, reimbursement basis to cover Eligible Expenses for Eligible Activities up to the following amounts:
  - a) If the Applicant is an Primary Producer or New Entrant , up to a maximum of \$10,000 per Applicant over the Program Term; and
  - b) If the Applicant is an Agricultural Organization or Agri-Processor, up to a maximum of \$20 000 per Application, and up to a maximum of \$40 000 per Applicant over the Program Term.
- 5.2 Eligible Expenses shall be cost shared at 75% grant and 25% Applicant.



- 5.3 Funding received through any other *Growing Forward 2* program may not be used toward the cost-share requirements of this Program.
- 5.4 Funding received through other municipal, provincial and federal governments must not exceed 100% of the Eligible Expenses claimed by the Applicant and paid under the Program. The amount of the grant shall be adjusted so that the total government funding does not exceed 100% of the cost of Eligible Expenses.
- 5.5 In the event that provincial or federal funding levels are changed to the extent that the money available to the Minister to make the grant is reduced or eliminated, the Minister may, in his sole discretion, cancel or reduce the amount of the grant.

## 6 Grant Payments

- 6.1 Grant payments will be made on a reimbursement basis based on Eligible Expenses incurred and claimed by the Applicant and approved by the Minister pursuant to the Approval Letter during the Term.
- 6.2 The only Eligible Expenses for which the Applicant may make a claim for reimbursement are the Eligible Expenses listed in the Approval Letter which are directly incurred by the Applicant in completing the Eligible Activities during the Term, unless otherwise authorized by the Minister.
- 6.3 To make a claim for reimbursement, the Applicant must submit the following:
  - a) a completed Request for Payment Form with copies of all documentation (e.g. time sheets, invoices, receipts, cheques, calculations, proof of payment) necessary to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed;
  - b) proof of completion of the Eligible Course(s) by providing either a copy of a certificate or letter confirming successful completion of the Eligible Course(s);
  - c) a status report or final report for the Eligible Expenses incurred and paid in the period covered by the report; and
  - d) any supplementary documentation requested by the Minister.
- 6.4 The determination of whether an expense incurred by the Applicant constitutes an Eligible Expense that is eligible for reimbursement is at the sole discretion of the Minister.
- 6.5 Eligible Expenses shall be calculated based on the actual out-of-pocket cost to the Applicant (i.e. cost of Eligible Expense less any rebates, discounts, incentives and/or credits, whether provided at the time of purchase or at a later date).
- 6.6 Eligible Activities and Eligible Expenses qualify only once under the Program.
- 6.7 The amount of the grant stated in the Approval Letter will be adjusted based on Eligible Expenses incurred and claimed by the Applicant and approved by AF, but shall not exceed the amount stated in the Approval Letter.
- 6.8 Eligible Activities and Eligible Expenses qualify only once under the Program.
- 6.9 Applicants cannot assign or defer any payment under this Program.
- 6.10 Payments may be considered farm support payments and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.

## 7 Reporting Requirements

- 7.1 Unless otherwise specified by the Minister, the Applicant shall provide the Minister with written status reporting, to the Minister's satisfaction and on dates specified in the Approval Letter, detailing:
- a) the status of the Eligible Activities, including the estimated percentage of the work completed and the estimated date of completion, and a financial report detailing all expenditures to date;
  - b) any other grants received or to be received from any level of government in respect of the Eligible Activities;
  - c) any material events, developments or circumstances arising in relation to the Eligible Activities; and
  - d) any other information requested by the Minister.
- 7.2 Unless otherwise specified by the Minister, the Applicant shall provide the Minister with a written final report, to the Minister's satisfaction and on the date specified in the Approval Letter, detailing:
- a) a list of the Eligible Activities completed by the Applicant;
  - b) the objectives that were met by the Applicant;
  - c) a description of the impact or anticipated impact of the Program on the individual, the organization they are associated with, and Alberta's agriculture industry or an agriculture industry sector in Alberta; and
  - d) any other information requested by the Minister.

## 8 Verification

- 8.1 The Applicant must submit documentation to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed. Documents the Applicant may submit to do this include:
- a) invoices for the claimed Eligible Expenses that are in the Applicant's name;
  - b) proof of payment for the claimed Eligible Expenses.

The Applicant must also provide any other documentation requested by the Minister that the Minister requires to be satisfied that the Applicant incurred and paid the Eligible Expenses claimed.

- 8.2 All items on an invoice submitted by the Applicant must be listed separately, and the cost for each Eligible Expense must be clearly identified.
- 8.3 The Applicant consents to the Minister releasing any information contained in the Application or related to it and obtained by the Minister in the course of verifying or auditing the Application, to any other government department, agency or other body for the purposes of verifying this Application, determining the Applicant's eligibility for this Program, or both. The Applicant expressly authorizes the Minister to obtain information from any government department, agency or other body to verify the contents of this Application and to determine the Applicants eligibility for this Program.
- 8.4 The Applicant agrees to give the Minister and representatives of the Minister access to examine their farming or business operation from the date of the Approval Letter until six years following the end of the Term. The Applicant agrees to separately maintain and make available to the Minister all records, books of account, income tax returns, invoices, and audit and evaluation reports in relation to the Eligible Activities that are necessary for the audit and evaluation of these Eligible Activities. If the Applicant fails to provide such information within a reasonable time on reasonable notice, as



determined by the Minister, the Applicant may be required to refund any payments received under the Program, as well as forfeit any future payments under the Program.

## **9 Inspection**

**9.1** If an Application is approved, from the date of the Approval Letter until three years following the end of the Term, the Minister is entitled, at a reasonable time and upon reasonable notice to the Applicant, to attend the farming or business operation of the Applicant for the purpose of examining items pertinent to the Eligible Activities in order to assess whether the Applicant is in compliance with these Program Terms and Conditions and the Approval Letter.

## **10 Non-Compliance**

**10.1** Any one or more of the following shall constitute an event of default (“Event of Default”):

- (a) failure of the Applicant to make satisfactory progress on the Eligible Activities pursuant to the Approval Letter, in the sole discretion of the Minister;
- (b) failure of the Applicant to comply with any of its obligations under the Program Terms and Conditions or the Approval Letter, in the sole discretion of the Minister;
- (c) the Applicant ceases to carry out the Eligible Activities during the Term, in the sole discretion of the Minister;
- (d) the Applicant becomes insolvent or ceases to carry on its operations; and
- (e) a resolution is passed or an application is made for winding up, dissolution, liquidation or amalgamation of the Applicant.

**10.2** Upon the occurrence of an Event of Default:

- (a) in addition to any other remedy under the Program Terms and Conditions, the Approval Letter, or at law, the Minister may do one or more of the following:
  - (i) withhold payments of the grant to the Applicant;
  - (ii) demand that the Applicant immediately repay to the Minister all or part of the grant. Any such amount shall be a debt due to and recoverable by the Minister;
  - (iii) terminate the grant; and
- (b) the Minister may require the Applicant to do one or more of the following:
  - (i) make no further commitments for expenditures and make no further disbursements that would be Eligible Expenses, except with the Minister’s prior written approval;
  - (ii) pay to the Minister the amount demanded pursuant to s. 10.2(a)(ii); and
  - (iii) provide an accounting of the full amount of the grant with an audit report.

## **11 Refunds**

**11.1** The Applicant shall immediately refund to the Provincial Crown any payment received under the Program not in accordance with the Program Terms and Conditions or the Approval Letter upon notice being provided to the Applicant by the Minister. Failure to make repayment as required by the Minister creates a debt owing to the Provincial Crown that can be set off against any money the Provincial Crown owes to the Applicant.

## **12 Right of Set-Off**

**12.1** The Applicant agrees that the Minister may set-off against any other grant or amount payable to the Applicant under any programs administered within

AF any amounts that become repayable by the Applicant to the Minister under this Program.

**13 False or misleading information**

**13.1** An Applicant who provides false, misleading or incomplete information under this Program forgoes all rights to benefit from this Program.

**14 Debts to Provincial Crown or Federal Crown**

**14.1** The Minister has the right to deduct from any grant approved for an Applicant any amount due and owing to the Provincial Crown or Federal Crown by the Applicant.

**15 Representations and Warranties**

**15.1** By submitting an Application, the Applicant represents and warrants that:

- a) the person signing the Application is duly authorized to make the Application, bind the Applicant to the Program Terms and Conditions, and, in the case of a partnership, bind the partners to the Program Terms and Conditions on the basis of joint and several liability;
- b) no Application has been made for the same activities by any other person, including without limitation, a person who is not arms-length or a related person as defined by the Income Tax Act (Canada) or by a shareholder, member or partner who is actively carrying on farming or business on behalf of a corporation;
- c) it has made full, true and plain disclosure to the Minister of all facts relating to the activities that are material to its Application, including without limitation all sources of funding from federal, provincial and municipal governments;
- d) it has the necessary financial resources to complete the activities listed in the Application;
- e) no member of the House of Commons shall derive any financial advantage from the grant that would not be permitted under the *Parliament of Canada Act*;
- f) no employee, contractor or agent of the Applicant who is not in compliance with federal conflict of interest guidelines shall derive a direct benefit from the grant;
- g) any person lobbying, as that term is defined in the *Lobbyists Registration Act (Canada)*, on the Applicant's behalf is registered pursuant to that Act;
- h) it is not aware of any discussions to effect a sale, transfer, assignment or pledge of interest which would result in a change of the control of the Applicant or of the disposition of all or substantially all the assets of the Applicant;
- i) it has adequate human resources, experience and skills to carry out the activities described in the Application;
- j) there is presently no action, suit, or proceeding being brought or pending or threatened against or affecting the Applicant which could result in the expropriation of any property of the Applicant, or which could affect its operations, properties, financial condition, or its ability to complete the activities described in the Application;

- k) if activities described in the Application require authorization by an agency, the Applicant has obtained such approval prior to the commencement of the activities;
- l) it is in compliance with all laws, orders and authorizations which relate to or affect it and is not subject to any order of any court or other tribunal affecting its operations;
- m) it has the power and authority and all necessary licenses and permits to own and operate its properties and carry on its operations, to make the Application, and to perform its obligations pursuant to the Application and these Program Terms and Conditions; and
- n) the execution of the Statement of Certification in the Application has been duly and validly authorized by the Applicant in accordance with applicable law, and shall constitute a binding legal obligation of the Applicant.

**16 Grant Regulation and Disclosure of Grant Recipient Information**

**16.1** Payments under this Program are grants subject to the Agriculture and Rural Development Grant Regulation. The Applicant acknowledges that, in addition to complying with these Program Terms and Conditions and the Approval Letter, the Applicant must comply with the Agriculture and Rural Development Grant Regulation.

**16.2** The Applicant acknowledges that AF publicly discloses the following information for all grant recipients: the grant recipient name, the amount of the grant, the program the grant is paid under, and the grant payment date.

**17 Changes to the Program or Program Terms and Conditions**

**17.1** The Minister may change or terminate the Program, or revise the Program Terms and Conditions, by posting the revised Program Terms and Conditions on the Alberta *Growing Forward 2* website.

**17.2** An Application shall be administered by, and the grant provided by the Minister to the Applicant shall be governed by, the Program Terms and Conditions that were posted on the Alberta *Growing Forward 2* website as of the date that the Application was received.

**18 Ministerial discretion**

**18.1** The Minister has the absolute discretion to determine the eligibility of any Applicant under this Program and any payments due under this Program. The decision of the Minister is final.