

# Forestry Affected Business (FAB) Consulting Rebate Application Guide

## Program Overview

In response to the impact the 2019 permanent mill closures, curtailments and reduced shifts are having on businesses in central and northern B.C., Northern Development is offering the Forestry Affected Business (FAB) Consulting Rebate program.

This program is designed to help businesses recover the costs of third-party consulting projects. These types of projects must focus on ways to sustain businesses during the economic downturn in the forestry industry.

The **FAB Consulting Rebate** will reimburse small and medium sized businesses (operators) for contracted consulting services. Businesses that are affected by mill closures/curtailments in Northern Development's service region are eligible to apply. A rebate of up to 75 per cent, to a maximum of \$15,000, can be recovered for the cost of hiring a consultant to assist with business efforts.

Businesses may use a preferred consultant or obtain assistance to identify and select a qualified consultant(s).

### Objectives

- To directly support small and medium size businesses impacted by the 2019 mill closures and curtailments in Northern Development's service region
- To implement strategies to attract customers, market a business and/or improve profitability
- To sustain businesses and employment in the affected communities

## Application Intake Deadlines

Funding applications are continuously accepted to this program.

Applications are reviewed for eligibility and completeness. A decision is made within one week of receiving the completed application.

## Eligibility

### Eligible Businesses

- Small and medium sized businesses affected by mill closures/curtailments in Northern Development's service region
- Incorporated businesses, or sole proprietorships that have been established for three or more years with more than \$30,000 in annual revenues
- Operating businesses with revenue
- Privately owned businesses
- Businesses with less than 500 employees
- Annual revenues of less than \$100 million
- First Nations businesses in eligible industries
- First Nations development corporations

**Eligible Industries**

- Retail
- Retail services
- Tourism operators
- Hospitality
- Accommodations
- Agriculture/ranching
- Innovation/technology
- Manufacturing
- Transportation
- Distribution
- Resource processing (forestry, mining, energy)
- Industrial supply chain (services and suppliers)

**Ineligible Businesses/Organizations**

- Start-up businesses without revenue
- Publicly traded businesses
- Businesses with 500 employees or more
- Businesses with \$100 million in annual revenues or more
- Businesses that do not have a major facility and key decision makers in eligible communities in Northern Development's service region
- Non-profit organizations
- Municipalities, regional districts, First Nations bands

**Eligible Consulting Projects**

- Business planning, strategic planning and management
- Market development
- Business coaching
- Human resource management
- Operations/operational efficiency/process improvement
- Quality and safety management
- Cash flow and financial management system
- Inventory management
- Marketing strategies, brand development/evolution and web development

**Ineligible Consulting Projects**

- Legal
- Staff training courses (external)
- Engineering
- Consulting contracts that exceed 12 months
- Project scoping (i.e. Gap Analysis)
- Outsourcing operational duties

## Eligible Costs

- Consulting fees. Consultant(s) must be in Canada\* (see exception below in Ineligible Costs)
- Consultant travel costs directly associated with the project. Only travel costs within Canada are eligible
- Consultant contract must be fixed fee (i.e. not on time and material, hourly or contingency)
- Printing costs directly associated with producing a final report
- Cost of obtaining research material (industry reports, peer-reviewed journals) directly relevant to the project
- Other costs directly associated with the project (to be approved on an individual project basis)

## Ineligible Costs

- Operational costs and staff wages
- Management or staff travel costs
- Consultant administration/management fees
- \*Fees for consultants outside of Canada unless it is demonstrated that the service is not available in Canada
- Legal and accounting services
- Engineering costs
- Meeting costs (equipment rental, refreshments etc.)
- Purchase of equipment or tools
- Project cost over-runs
- In-kind labour or donated services/materials
- GST
- Costs incurred prior to formal notification of funding approval from Northern Development

## Funding Terms

- Northern Development provides a rebate under this program to eligible businesses to a maximum of 75 per cent up to \$15,000 annually for third-party consulting services
- Projects must have a minimum budget of \$2,000
- Consultant travel expenses are included within the maximum allowable rebate of \$15,000
- Applicants must apply and receive notification of approval prior to beginning the project
- Applicants must pay the consulting fees in full at the completion of the project
- Applicants must submit a project report using Northern Development's reporting form, copies of invoices, proof of payment for the consulting services, and evidence of work completed (i.e. COR health and safety certificate, marketing plan, etc.) in order to receive the rebate
- Applicants must make project deliverables (i.e. business plans, studies, reports, documented procedures) available to Northern Development for quality assurance. All documents will remain confidential. If an applicant is approved for a project which is less than the annual maximum of \$15,000 and a second consulting project is being proposed, the first project must be completed, and reporting submitted prior to any other project being approved

## Application and Program Requirements

For a project or business to be eligible for funding, the project must outline specific economic benefits to the business.

### Economic Benefits

Successful applicants must report on the following measurables for a two-year period to demonstrate the direct economic benefits of the project.

- Direct permanent full-time jobs created or sustained
- Direct permanent part-time or seasonal jobs created or sustained
- Annual operational revenues
- Annual operational costs
- Other benefits or outcomes as a result of the project (i.e. improved profitability, reduced WCB rates, staff turnover)

Multiple projects for the same business and for the same strategic focus (i.e. human resources) must show unique and separate measurable outcomes.

## Reporting

Applicants must submit a project report using Northern Development's reporting form, and supply the following required attachments:

- copies of invoices and proof of payment
- evidence of work completed (i.e. COR health and safety certificate, marketing plan, etc.)

Applicants must make project deliverables (i.e. business plans, studies, reports, documented procedures) available to Northern Development in order to undertake quality assurance. All documents will remain confidential.

## Application Process

Northern Development staff undertake comprehensive due diligence of each funding application received. This may include contacting relevant agencies, organizations and the consultant(s) as part of the review process.

1. Applicant contacts the Director, Business Development at Northern Development to discuss the proposed project.
2. Applicant obtains a detailed quote outlining the proposed scope of work, fees, and timeline from a qualified consultant.
3. The applicant completes a funding application and submits the application with the detailed consulting quote to Northern Development.
4. Northern Development will review the application in consultation with the business owner or key decision maker.
5. Northern Development staff complete the due diligence process.
6. A decision is made within one week of receiving the completed application. Northern Development staff will notify the applicant of the funding decision by phone or email.
7. If approved, a formal letter is mailed to the applicant.
8. An agreement is emailed to the applicant for their signature.
9. Upon completion, applicant submits completed Northern Development reporting form with attachments for funding.
10. Applicants are required to report annually for a two year period on economic benefits specific to the project.

## Questions?

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