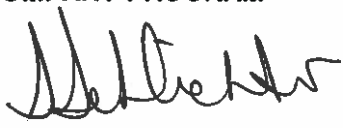
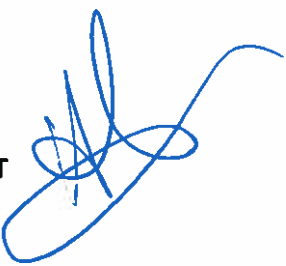



TO: GENERAL COMMITTEE

SUBJECT: LETTER OF AGREEMENT: CITY OF BARRIE AND PROVINCE
RE: STARTER COMPANY PROGRAM

WARD: 1-10

PREPARED BY AND KEY CONTACT: S. SCHLICHTER 
BUSINESS DEVELOPMENT OFFICER, EXT. 5036

SUBMITTED BY: H. KIROLOS, DIRECTOR – BUSINESS DEVELOPMENT 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the Corporation of the City of Barrie enter into a Transfer Payment Agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of Economic Development, Trade and Employment (MEDTE) for the provision of grant funds to deliver the Starter Company Program through the Greater Barrie Business Enterprise Centre (GBBEC) for the period ending June 30th, 2016.
2. That the City Clerk be authorized to execute all documents necessary to give effect to such agreement.
3. That should the Starter Company Program be extended under the same general conditions, the City Clerk be authorized to execute extensions to such an agreement in order to facilitate the transfer of grant funds.

PURPOSE & BACKGROUND

Report Overview

4. This staff report facilitates the receipt of grant funding for the Greater Barrie Business Enterprise Centre (GBBEC) to deliver the Starter Company Program, a new initiative of the Ministry of Economic Development, Trade and Employment (MEDTE) as a component of the Ontario Youth Jobs Strategy. Objectives of Starter Company are as follows:
 - a) Provide small business supports and capital to help young people build strong local businesses;
 - b) Help young people become job creators instead of job seekers; and
 - c) Support and promote main street small businesses at the local level.
5. Historically, MEDTE has provided grant funding for programs and service delivery for the GBBEC through a services rendered funding model. MEDTE has implemented a transfer payment funding model for program providers of the Starter Company Program. Thus, a new agreement is required to be executed by the City of Barrie as administrators of the funds for the Greater Barrie Business Enterprise Centre, the local program provider.

BACKGROUND

6. In December 2001, Council Motion 01-G-526 approved the establishment of a Business Enterprise Centre in the City of Barrie and entered into a Letter of Agreement setting out the obligations of both the Ministry of Economic Development & Trade (now MEDTE) and the City of Barrie for the delivery of services for an Enterprise Centre.
7. The Greater Barrie Business Enterprise Centre has been operating since 2002 and is located above the City-owned Bus Terminal at 24 Maple Avenue. The GBBEC receives annual funding in the form of 'Services Rendered Funding' from MEDTE for its core business service delivery that includes business consultation, information and resources for small business at the pre start-up, start-up and growth stages.
8. The City of Barrie currently holds the finances of the GBBEC and is managed as outlined in the Letter of Agreement with the Province. Delivery and funding of one-off or specialized MEDTE initiated programming (Summer Company, etc.) outside of the standard core service funding are a typical function of the GBBEC operations, but have usually fallen under the funding guidelines set out in the original Letter of Agreement executed in 2002.

ANALYSIS

9. The Starter Company Program is a key part of Ontario's Youth Jobs Strategy that was announced in the 2013 Province of Ontario budget. The Starter Company Program will provide mentoring, training and capital for youth to start, grow or buy a small business. The GBBEC is the delivery agent for Barrie and area.
10. The term of the Agreement will commence on the Effective Date (October 6, 2013) and will expire on June 30, 2016, unless terminated earlier pursuant to the Terms of the Agreement. MEDTE will be providing funding of approximately \$95,000 over a two-year period for the GBBEC to deliver the Starter Company Program.
11. As the funding for the Starter Company Program is being made as a transfer payment to the City of Barrie as opposed to their traditional, services rendered funding model, a new Agreement with MEDTE is required.
12. The complete agreement is attached in Appendix A. Staff in the Legal Department have reviewed the Agreement and have no concerns over its content. Highlights of the Agreement Require that the City of Barrie, as funding recipient, through the GBBEC to:
 - (a) Carry out the Program:
 - i. in accordance with the terms and conditions of the Agreement; and
 - ii. in compliance with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Program;
 - (b) Use the Funds only for the purpose of carrying out the Program;
 - (c) Spend the Funds only in accordance with the Budget;
 - (d) Submit to the Province all Reports in accordance with the timelines and content requirements set out in the Agreement;

- (e) Record all financial records (including invoices) relating to the Funds or otherwise to the Program in a manner consistent with generally accepted accounting principles; and
- (f) All non-financial documents and records relating to the Funds or otherwise to the Program.
- (g) The Recipient shall, upon expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

ENVIRONMENTAL MATTERS

13. There are no environmental matters related to the recommendation.

ALTERNATIVES

14. There is one alternative available for consideration by General Committee:

Alternative #1 General Committee could choose not to enter into an Agreement with the Province of Ontario for the provision of the Starter Company Program. This is not recommended as the Starter Company Program is part of Ontario's Youth Jobs Strategy designed to support and encourage youth to start, grow or purchase a business. Implementing this initiative will create employment and bring economic stimulus to our community.

The GBBEC has been operating for 12 years and continues to deliver programming through the partnership between the Province of Ontario and the City of Barrie and is the designated service delivery agent for the Starter Company Program.

FINANCIAL

15. The financial impacts to the City of Barrie are revenue neutral as the Starter Company program will be funded by MEDTE and leveraging the existing resources of the Greater Barrie Business Enterprise Centre.
16. The GBBEC accounts are maintained by the City and annual budgets are reviewed and approved by the Director of Business Development. Program audit costs have been factored into the Starter Company budget.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

15. The recommendations included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Direct and Manage Economic Development
16. The Starter Company Program supports the goals of establishing Barrie as a centre for excellence in innovation and entrepreneurship by supporting and encouraging youth to start, grow or purchase an existing business. Entering in to the Transfer Agreement with the Province of Ontario, will allow the GBBEC to obtain the provided funds necessary to deliver the program.

APPENDIX 'A' - Agreement

THE AGREEMENT effective as of the 7th day of October, 2013.

B E T W E E N:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
as represented by the Minister of Economic, Development Trade and
Employment

(the "Province")

- and -

THE CORPORATION OF THE CITY OF BARRIE

(the "Recipient")

BACKGROUND:

The Recipient intends to undertake the Program which is intended to create community based mentoring networks and training activities across Ontario to provide guidance and support to new and growing youth-owned businesses in their communities.

The Recipient has applied to the Province for funds to assist the Recipient in carrying out the Program and the Province wishes to provide such funds.

CONSIDERATION:

In consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Parties agree as follows:

ARTICLE 1
INTERPRETATION AND DEFINITIONS

1.1 Interpretation. For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the background and the headings do not form part of the Agreement; they are for reference only and shall not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency shall be to Canadian dollars and currency;
and
- (e) "include", "includes" and "including" shall not denote an exhaustive list.

1.2 **Definitions.** In the Agreement, the following terms shall have the following meanings:

“Agreement” means this agreement entered into between the Province and the Recipient and includes all of the schedules listed in section 28.1 and any amending agreement entered into pursuant to section 34.2.

“BPSAA” means the *Broader Public Sector Accountability Act, 2010* (Ontario), including any directives issued pursuant to that Act.

“Budget” means the budget attached to the Agreement as Schedule “B”.

“Effective Date” means the date set out at the top of the Agreement.

“Eligible Expenditures” means those expenditures required to implement the Program as more particularly described in Schedule “G” which are incurred by the Recipient after the Effective Date and prior to the Expiry Date.

“Event of Default” has the meaning ascribed to it in section 14.1.

“Expiry Date” has the meaning ascribed to in section 3.1.

“Force Majeure” has the meaning ascribed to it in Article 26.

“Funding Year” means:

- (a) in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31.

“Funds” means the money the Province provides to the Recipient pursuant to the Agreement.

“Indemnified Parties” means her Majesty the Queen in right of Ontario, her ministers, agents, appointees and employees.

“Maximum Funds” means \$95,000.

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Notice Period” means the period of time within which the Recipient is required to remedy an Event of Default, and includes any such period or periods of time by which the Province considers it reasonable to extend that time.

“Parties” means the Province and the Recipient.

“**Party**” means either the Province or the Recipient.

“**Program**” means the undertaking described in Schedule “A”.

“**Reports**” means the reports described in (i) Schedule “A” under the heading “Detailed Description of Program Activities” and (ii) Schedule “D”.

“**Timelines**” means the Program schedule set out in Schedule “A”.

ARTICLE 2 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 **General.** The Recipient represents, warrants and covenants that:

- (a) it is, and shall continue to be for the term of the Agreement, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and shall continue to have for the term of the Agreement, the experience and expertise necessary to carry out the Program;
- (c) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and shall continue to be true and complete for the term of the Agreement;
- (d) it shall comply with the terms and requirements of Schedule “I” - Communications Protocol;
- (e) it is in compliance with all applicable federal and provincial laws and regulations and all municipal by-laws, and does not know of or have reasonable grounds to know of, any fact that could result in or give rise to non-compliance with any such laws, regulations or by-laws; and
- (f) The Recipient shall provide all services to the public under the Program in accordance with the *French Language Services Act* (Ontario), by taking appropriate measures in that regard, including among other things, providing signs, notices and other information on such services and communicating with the public to make it known to members of the public that such services are available in French at the choice of a member of the public. In this regard, subject to the Province’s satisfaction, the Recipient shall, among other things that the Province may require from time to time, ensure that:
 - (i) the portions of the Recipient’s website relating to the Program are available in French;
 - (ii) all public documents relating to the Program are available in French;
 - (iii) bilingual (English/French) signs are posted as needed;

- (iv) it has developed a protocol for providing francophone clients with services in French; and by no later than May 1 of every year during the Term, it shall submit a written report to the Province regarding its provision of French language services and how it is meeting the requirements of this section 2.1(d). The report shall be in a form and content satisfactory to the Province.

2.2 **Execution of Agreement.** The Recipient represents and warrants that:

- (a) it has the full power and authority to enter into the Agreement; and
- (b) it has taken all necessary actions to authorize the execution of the Agreement.

2.3 **Governance.** The Recipient represents, warrants and covenants that it has, and shall maintain, in writing, for the period during which the Agreement is in effect:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to ensure the ongoing effective functioning of the Recipient;
- (c) decision-making mechanisms;
- (d) procedures to provide for the prudent and effective management of the Funds;
- (e) procedures to enable the successful completion of the Program;
- (f) procedures to enable the timely identification of risks to the completion of the Program and strategies to address the identified risks;
- (g) procedures to enable the preparation and delivery of all Reports required pursuant to Article 7; and
- (h) procedures to deal with such other matters as the Recipient considers necessary to ensure that the Recipient carries out its obligations under the Agreement.

2.4 **Supporting Documentation.** Upon request, the Recipient shall provide the Province with proof of the matters referred to in this Article 2.

ARTICLE 3 TERM OF THE AGREEMENT

3.1 **Term.** The term of the Agreement shall commence on the Effective Date and shall expire on June 30, 2016 (the "Expiry Date") unless terminated earlier pursuant to Article 12, Article 13 or Article 14.

ARTICLE 4 FUNDS AND CARRYING OUT THE PROGRAM

4.1 Funds Provided. The Province shall:

- (a) provide the Recipient up to the Maximum Funds for the purpose of carrying out the Program;
- (b) provide the Funds to the Recipient in accordance with the payment schedule attached to the Agreement as Schedule "C";
- (c) deposit the Funds into an account designated by the Recipient provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

4.2 Limitation on Payment of Funds. Despite section 4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the insurance certificate or other proof as provided for in section 11.2;
- (b) the Province is not obligated to provide instalments of Funds until it is satisfied with the progress of the Program;
- (c) the Province is not obligated to provide instalments of Funds until it has received the reports described in Schedule "D", as applicable, in a form and content acceptable to the Province;
- (d) any disbursement of Funds to the recipient shall be subject to applicable provisions of the Province's *Travel, Meal and Hospitality Expenses Directive*, as amended from time to time, and a summary of which is contained in Schedule "H" hereto;
- (e) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Province's assessment of the information provided by the Recipient pursuant to section 7.1; and
- (f) if, pursuant to the provisions of the *Financial Administration Act* (Ontario), the Province does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Province is not obligated to make any such payment, and, as a consequence, the Province may:
 - (i) reduce the amount of the Funds and, in consultation with the Recipient, change the Program; or
 - (ii) terminate the Agreement pursuant to section 13.1.

4.3 Use of Funds and Program. The Recipient shall:

- (a) carry out the Program:
 - (i) in accordance with the terms and conditions of the Agreement; and
 - (ii) in compliance with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Program;
 - (b) use the Funds only for the purpose of carrying out the Program; and
 - (c) spend the Funds only in accordance with the Budget.
- 4.4 **No Changes.** The Recipient shall not make any changes to the Program, the Timelines and/or the Budget without the prior written consent of the Province.
- 4.5 **Interest Bearing Account.** If the Province provides Funds to the Recipient prior to the Recipient's immediate need for the Funds, the Recipient shall place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.
- 4.6 **Interest.** If the Recipient earns any interest on the Funds:
- (a) the Province may deduct an amount equal to the interest from any further instalments of Funds; or
 - (b) the Recipient shall pay an amount equal to the interest to the Province as directed by the Province.
- 4.7 **Maximum Funds.** The Recipient acknowledges that the Funds available to it pursuant to the Agreement shall not exceed the Maximum Funds.
- 4.8 **Rebates, Credits and Refunds.** The Recipient acknowledges that the amount of Funds available to it pursuant to the Agreement is based on the actual costs to the Recipient, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit or refund.

ARTICLE 5 ACQUISITION OF GOODS AND SERVICES, AND DISPOSAL OF ASSETS

- 5.1 **Acquisition.** Subject to section 32.1, if the Recipient acquires supplies, equipment or services with the Funds, it shall do so through a process that promotes the best value for money.
- 5.2 **Disposal.** The Recipient shall not, without the Province's prior written consent, sell, lease or otherwise dispose of any asset purchased with the Funds or for which Funds were provided, the cost of which exceeded \$10,000 at the time of purchase.

ARTICLE 6 CONFLICT OF INTEREST

- 6.1 **No Conflict of Interest.** The Recipient shall carry out the Program and use the Funds

without an actual, potential or perceived conflict of interest.

6.2 **Conflict of Interest Includes.** For the purposes of this Article, a conflict of interest includes any circumstances where:

- (a) the Recipient; or
- (b) any person who has the capacity to influence the Recipient's decisions,

has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the Program and the use of the Funds.

6.3 **Disclosure to Province.** The Recipient shall:

- (a) disclose to the Province, without delay, any situation that a reasonable person would interpret as either an actual, potential or perceived conflict of interest; and
- (b) comply with any terms and conditions that the Province may prescribe as a result of the disclosure.

ARTICLE 7 REPORTING, ACCOUNTING AND REVIEW

7.1 **Preparation and Submission.** The Recipient shall:

- (a) submit to the Province at the address provided in section 18.1, all Reports in accordance with the timelines and content requirements set out in (i) Schedule "A" under the heading "Detailed Description of Program Activities", and (ii) Schedule "D", or in a form as specified by the Province from time to time;
- (b) submit to the Province at the address provided in section 18.1, any other reports as may be requested by the Province in accordance with the timelines and content requirements specified by the Province;
- (c) ensure that all Reports and other reports are completed to the satisfaction of the Province; and
- (d) ensure that all Reports and other reports are signed on behalf of the Recipient by an authorized signing officer.

7.2 **Record Maintenance.** The Recipient shall keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Program in a manner consistent with generally accepted accounting principles; and
- (b) all non-financial documents and records relating to the Funds or otherwise to the Program.

- 7.3 **Inspection.** The Province, its authorized representatives or an independent auditor identified by the Province may, at its own expense, upon twenty-four hours' Notice to the Recipient and during normal business hours, enter upon the Recipient's premises to review the progress of the Program and the Recipient's expenditure of the Funds and, for these purposes, the Province, its authorized representatives or an independent auditor identified by the Province may:
- (a) inspect and copy the records and documents referred to in section 7.2; and
 - (b) conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds and/or the Program.
- 7.4 **Disclosure.** To assist in respect of the rights set out in section 7.3, the Recipient shall disclose any information requested by the Province, its authorized representatives or an independent auditor identified by the Province, and shall do so in a form requested by the Province, its authorized representatives or an independent auditor identified by the Province, as the case may be.
- 7.5 **No Control of Records.** No provision of the Agreement shall be construed so as to give the Province any control whatsoever over the Recipient's records.
- 7.6 **Auditor General.** For greater certainty, the Province's rights under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

ARTICLE 8 CREDIT

- 8.1 **Acknowledge Support.** Unless otherwise directed by the Province, the Recipient shall, in a form approved by the Province, acknowledge the support of the Province in any publication of any kind, written or oral, relating to the Program.
- 8.2 **Publication.** The Recipient shall indicate, in any of its publications, of any kind, written or oral, relating to the Program, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

ARTICLE 9 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

- 9.1 **FIPPA.** The Recipient acknowledges that the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Program or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

ARTICLE 10 INDEMNITY

- 10.1 **Indemnification.** The Recipient hereby agrees to indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred,

brought or prosecuted, in any way arising out of or in connection with the Program or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Province.

ARTICLE 11 INSURANCE

- 11.1 **Recipient's Insurance.** The Recipient represents and warrants that it has, and shall maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a program similar to the Program would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than two million dollars (\$2,000,000) per occurrence. The policy shall include the following:
- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
 - (b) a cross-liability clause;
 - (c) contractual liability coverage; and
 - (d) a 30 day written notice of cancellation, termination or material change.
- 11.2 **Proof of Insurance.** The Recipient shall provide the Province with certificates of insurance, or other proof as may be requested by the Province, that confirms the insurance coverage as provided for in section 11.1. Upon the request of the Province, the Recipient shall make available to the Province a copy of each insurance policy.

ARTICLE 12 TERMINATION ON NOTICE

- 12.1 **Termination on Notice.** The Province may terminate the Agreement at any time upon giving at least 30 days Notice to the Recipient.
- 12.2 **Consequences of Termination on Notice by the Province.** If the Province terminates the Agreement pursuant to section 12.1, the Province may:
- (a) **cancel all further instalments of Funds;**
 - (b) **demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and/or**
 - (c) **determine the reasonable costs for the Recipient to wind down the Program, and:**
 - (i) permit the Recipient to offset the costs determined pursuant to section 12.2(c), against the amount owing pursuant to section 12.2(b); and/or

- (ii) subject to section 4.7, provide Funds to the Recipient to cover the costs determined pursuant to section 12.2(c).

ARTICLE 13 TERMINATION WHERE NO APPROPRIATION

- 13.1 **Termination Where No Appropriation.** If, as provided for in section 4.2(f), the Province does not receive the necessary appropriation from the Ontario Legislature for any payment the Province is to make pursuant to the Agreement, the Province may terminate the Agreement immediately by giving Notice to the Recipient.
- 13.2 **Consequences of Termination Where No Appropriation.** If the Province terminates the Agreement pursuant to section 13.1, the Province may:
- (a) **cancel all further instalments of Funds;**
 - (b) **demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and/or**
 - (c) **determine the reasonable costs for the Recipient to wind down the Program and permit the Recipient to offset such costs against the amount owing pursuant to section 13.2(b)..**
- 13.3 **No Additional Funds.** For purposes of clarity, if the costs determined pursuant to section 13.2(c) exceed the Funds remaining in the possession or under the control of the Recipient, the Province shall not provide additional Funds to the Recipient.

ARTICLE 14 EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT

- 14.1 **Events of Default.** Each of the following events shall constitute an Event of Default:
- (a) **in the opinion of the Province, the Recipient breaches any representation, warranty, covenant or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:**
 - (i) carry out the Program;
 - (ii) use or spend Funds; and/or
 - (iii) provide, in accordance with section 7.1, Reports or such other reports as may have been requested pursuant to section 7.1(b);
 - (b) the Recipient's operations, or its organizational structure, changes such that it no longer meets one or more of the applicable eligibility requirements of the program under which the Province provides the Funds;
 - (c) the Recipient makes an assignment, proposal, compromise, or arrangement for

the benefit of creditors, or is petitioned into bankruptcy, or files for the appointment of a receiver;

- (d) the Recipient ceases to operate; and
- (e) an event of Force Majeure that continues for a period of 60 days or more.

14.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of the Program;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel all further instalments of Funds;
- (f) demand the repayment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand the repayment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
- (h) demand the repayment of an amount equal to any Funds the Province provided to the Recipient; and/or
- (i) terminate the Agreement at any time, including immediately, upon giving Notice to the Recipient.

14.3 Opportunity to Remedy. If, in accordance with section 14.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province shall provide Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

14.4 Recipient not Remediating. If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section 14.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or

- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections 14.2(a), (c), (d), (e), (f), (g), (h) and (i).

- 14.5 **When Termination Effective.** Termination under this Article shall take effect as set out in the Notice.

ARTICLE 15 FUNDS AT THE END OF A FUNDING YEAR

- 15.1 **Funds at the End of a Funding Year.** Without limiting any rights of the Province under Article 14, if the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget, the Province may:

- (a) demand the return of the unspent Funds; or
(b) adjust the amount of any further instalments of Funds accordingly.

ARTICLE 16 FUNDS UPON EXPIRY

- 16.1 **Funds Upon Expiry.** The Recipient shall, upon expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

ARTICLE 17 REPAYMENT

- 17.1 Debt Due. If:

- (a) the Province demands the payment of any Funds or any other money from the Recipient; or
(b) the Recipient owes any Funds or any other money to the Province, whether or not their return or repayment has been demanded by the Province, such Funds or other money shall be deemed to be a debt due and owing to the Province by the Recipient, and the Recipient shall pay or return the amount to the Province immediately, unless the Province directs otherwise.

- 17.2 **Interest Rate.** The Province may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

- 17.3 **Payment of Money to Province.** The Recipient shall pay any money owing to the Province by cheque payable to the "Ontario Minister of Finance" and mailed to the Province at the address provided in section 18.1.

ARTICLE 18 NOTICE

- 18.1 **Notice in Writing and Addressed.** Notice shall be in writing and shall be delivered by email, postage-prepaid mail, personal delivery or fax, and shall be addressed to the Province and the Recipient respectively as set out below, or as either Party later designates to the other by Notice:

To the Province:

The Ministry of Economic
Development, Trade and
Employment

56 Wellesley Street West
Toronto, Ontario
M7A 2E7

Attention: Madge Linton,
Manager (A), Entrepreneurship
Partnerships

Fax: (416) 325-6538
Email: youthpartnerships@ontario.ca

To the Recipient:

The Corporation of the City
of Barrie

70 Collier Street
Barrie, Ontario
L4M 4T4

Hany Kirolos
Director, Strategy and
Economic Development

Fax: (705) 739-4288
Email: hkirolos@barrie.ca

- 18.2 **Notice Given.** Notice shall be deemed to have been received:
- (a) in the case of postage-prepaid mail, seven days after a Party mails the Notice; or
 - (b) in the case of email, personal delivery or fax, at the time the other Party receives the Notice.
- 18.3 **Postal Disruption.** Despite section 18.2(a), in the event of a postal disruption:
- (a) Notice by postage-prepaid mail shall not be deemed to be received; and
 - (b) the Party giving Notice shall provide Notice by email, personal delivery or by fax.

**ARTICLE 19
CONSENT BY PROVINCE**

- 19.1 **Consent.** The Province may impose any terms and/or conditions on any consent the Province may grant pursuant to the Agreement.

**ARTICLE 20
SEVERABILITY OF PROVISIONS**

- 20.1 **Invalidity or Unenforceability of Any Provision.** The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision shall be deemed to be severed.

**ARTICLE 21
WAIVER**

- 21.1 **Waivers in Writing.** If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article 18. Any waiver must refer to a specific failure to comply and shall not have the effect of waiving any subsequent failures to comply.

**ARTICLE 22
INDEPENDENT PARTIES**

- 22.1 **Parties Independent.** The Recipient acknowledges that it is not an agent, joint venturer, partner or employee of the Province, and the Recipient shall not take any actions that could establish or imply such a relationship.

**ARTICLE 23
ASSIGNMENT OF AGREEMENT OR FUNDS**

- 23.1 **No Assignment.** The Recipient shall not assign any part of the Agreement or the Funds without the prior written consent of the Province.
- 23.2 **Agreement to Extend.** All rights and obligations contained in the Agreement shall extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

**ARTICLE 24
GOVERNING LAW**

- 24.1 **Governing Law.** The Agreement and the rights, obligations and relations of the Parties shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement shall be conducted in Ontario.

**ARTICLE 25
FURTHER ASSURANCES**

- 25.1 **Agreement into Effect.** The Recipient shall do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

**ARTICLE 26
CIRCUMSTANCES BEYOND THE CONTROL OF EITHER PARTY**

- 26.1 **Force Majeure Means.** Subject to section 26.3, Force Majeure means an event that:
- (a) is beyond the reasonable control of a Party; and
 - (b) makes a Party's performance of its obligations under the Agreement impossible, or so impracticable as reasonably to be considered impossible in the circumstances.

26.2 Force Majeure Includes. Force Majeure includes:

- (a) infectious diseases, war, riots and civil disorder;
- (b) storm, flood, earthquake and other severely adverse weather conditions;
- (c) lawful act by a public authority; and
- (d) strikes, lockouts and other labour actions,

if such events meet the test set out in section 26.1.

26.3 Force Majeure Shall Not Include. Force Majeure shall not include:

- (a) any event that is caused by the negligence or intentional action of a Party or such Party's agents or employees; or
- (b) any event that a diligent Party could reasonably have been expected to:
 - (i) take into account at the time of the execution of the Agreement; and
 - (ii) avoid or overcome in the carrying out of its obligations under the Agreement.

26.4 Failure to Fulfil Obligations. Subject to section 14.1(e), the failure of either Party to fulfil any of its obligations under the Agreement shall not be considered to be a breach of, or Event of Default under, the Agreement to the extent that such failure to fulfill the obligation arose from an event of Force Majeure, if the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of the Agreement.

**ARTICLE 27
SURVIVAL**

27.1 Survival. The provisions in Article 1, any other applicable definitions, sections 4.6(b), 5.2, 7.1 (to the extent that the Recipient has not provided the Reports or other reports as may be requested by the Province to the satisfaction of the Province), 7.2, 7.3, 7.4, 7.5, 7.6, Articles 8 and 10, sections 12.2, 13.2, 13.3, 14.1, 14.2(d), (e), (f), (g) and (h), Articles 16, 17, 18, 20, 24, 27, 28, 30, 31 and 34, and all applicable cross-referenced provisions and schedules shall continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement.

**ARTICLE 28
SCHEDULES**

28.1 Schedules. The Agreement includes the following schedules:

- (a) Schedule "A" - Program Description and Timelines;

- (b) Schedule "B" - Budget;
- (c) Schedule "C" - Payment;
- (d) Schedule "D" - Reporting Requirements;
- (e) Schedule "E" - Financial Certificate;
- (f) Schedule "F" - Request for Disbursement;
- (g) Schedule "G" - Eligible Expenditures;
- (h) Schedule "H" - Summary of the *Travel, Meal and Hospitality Expenses Directive*;
- (i) Schedule "I" - Communications Protocol;
- (j) Schedule "J" - Auditor's Certificate.

**ARTICLE 29
COUNTERPARTS**

- 29.1 **Counterparts.** The Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**ARTICLE 30
JOINT AND SEVERAL LIABILITY**

- 30.1 **Joint and Several Liability.** Where the Recipient is comprised of more than one entity, all such entities shall be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

**ARTICLE 31
RIGHTS AND REMEDIES CUMULATIVE**

- 31.1 **Rights and Remedies Cumulative.** The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

**ARTICLE 32
BPSAA**

- 32.1 **BPSAA.** For the purposes of clarity, if the Recipient is subject to the BPSAA and there is a conflict between any of the requirements of the Agreement and the requirements of the BPSAA, the BPSAA shall prevail.

**ARTICLE 33
FAILURE TO COMPLY WITH OTHER AGREEMENTS**

33.1 **Other Agreements.** If the Recipient:

- (a) has failed to comply (a "Failure") with any term, condition or obligation under any other agreement with Her Majesty the Queen in right of Ontario or a Crown agency;
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing, the Province may suspend the payment of Funds for such period as the Province determines appropriate.

**ARTICLE 34
ENTIRE AGREEMENT**

34.1 **Entire Agreement.** The Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

34.2 **Modification of Agreement.** The Agreement may only be amended by a written agreement duly executed by the Parties.

The Parties have executed the Agreement on the dates set out below.

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
as represented by the Minister of Economic Development, Trade and
Employment**

Sam Boonstra
Director, Entrepreneurship Branch

Date

THE CORPORATION OF THE CITY OF BARRIE

By: _____
Dawn McAlpine
City Clerk, Director of Legislative
And Court Services

Date

I have authority to bind the Recipient.

SCHEDULE "A"

PROGRAM DESCRIPTION AND TIMELINES

Summary

The Recipient will undertake the "Starter Company program" (the "Program"), which will provide mentoring, training and capital for youth to start, grow or buy a small business in the Greater Barrie area. For the purposes of the Program, "youth" are defined as those between 18 and 29 years of age.

Program Requirements

The Recipient will deliver the Program through the Greater Barrie Business Enterprise Centre.

The Greater Barrie Business Enterprise Centre is a unit of Invest Barrie Division of the City of Barrie.

The Recipient is responsible for the day-to-day operations and is ultimately responsible for the functioning and accountability of the Greater Barrie Business Enterprise Centre.

The Program will provide:

- Training and business skills development to help youth prepare to run their own business;
- Advice and mentorship from local business leaders to help get the business up and running;
- Experience running a business that will better position youth to obtain more traditional financing, such as a bank loan, if required; and
- Where applicable/eligible, a micro-grant to kick-off a new business or expand an existing business.

The Recipient is responsible for:

- Adapting the Program framework to respond to local needs and opportunities for young entrepreneurs;
- Administration of a Community Mentoring Network including mentor recruitment, training, networking events, tracking of mentoring relationships, reporting etc.;
- Coordination, assessment, and tracking of monthly mentoring meetings;
- Ensuring that an appropriate conflict of interest strategy is established and implemented for all mentors;
- Promoting the Program, including outreach to vulnerable youth;
- Recruitment, intake and training of applicants to ensure Program targets are met;

- Assistance in the creation of a learning plan, business plan and business milestones/goals, plus other supports for participants within the Program;
- Ensuring that the applicants recommended for funding are of the best quality;
- Collection of status reports from participants, plus reporting on and tracking of participant progress within the Program; and
- Reporting of businesses started, job creation data and other identified performance measures.

Program Targets

The Recipient intends to meet the following targets by the Expiry Date.

	2013/14	2014/15	2015/16	Total
Number of Applicants	4	15	15	34
Total Number of Youth Entering the Program/Receiving Training/Mentoring	2	12	10	24
Total Number of Youth Receiving Grants	0	12	8	20
Number of Businesses Started	0	12	8	20
Number of Jobs Created	0	12	9	22

Note: applicant intake ends in 2015/16

A detailed description of the activities to be undertaken by the Recipient in connection with the Program is outlined in the chart below:

Detailed Description of Program Activities		
Description	Key Activities	Related Reporting Requirements
<p>Application Process and Program Intake</p>	<p>Intake of applicant into the program will be on a continuous basis with set dates for presentations to the Regional Grant Committee.</p> <p>The entire application process and ongoing progress will be documented and tracked in the "Client Progress Package" consisting of the items below.</p> <ul style="list-style-type: none"> • The process will be made up of the following stages: <ul style="list-style-type: none"> • Eligibility Checklist. • Initial assessment, which will last one to two weeks. • Four to eight week Training Period, which will culminate in the development of applicants' business plans. • Submission of recommended applicants to the Regional Grant Committee a week in advance before meetings take place. • Final approval decision. • Approved applicants will move into business start-up and mentoring phase. • Unsuccessful applicants will be referred to other organizations, depending on their needs and ambitions. The referrals would be tracked by the Recipient. • An exit interview will be conducted with unsuccessful 	<p>*Subject to Timelines in Schedule "D".</p> <p>Annual reporting on the development and implementation of the program, including the application process, program intake process, participant tracking process, referral process to the Program's Regional Grant Administrator (RGA) and a referral strategy for all youth who have applied. This includes vulnerable youth, such as, but not limited to the following:</p> <ul style="list-style-type: none"> • Francophone, • Aboriginal, • Youth facing multiple barriers, and/or • Youth in high needs areas. <p>The Recipient will populate the fields in ECR as identified in Schedule "D".</p>

Detailed Description of Program Activities		
Description	Key Activities	Related Reporting Requirements
	<p>applicants in order to refer them to the appropriate agencies. Referrals will be made to organizations on the Provincial list, including the Community Future Development Corporations, Canadian Youth Business Foundation, local Employment Agencies and community partners with expertise in dealing with youth with barriers.</p>	<p>*Subject to Timelines in Schedule "D".</p>
<p>Marketing and Promotion, and Recruitment</p> <p>Develop and distribute Marketing and Promotional Material to Youth Organizations</p>	<ul style="list-style-type: none"> • The Recipient will market and promote the program using a variety of methods, including: <ul style="list-style-type: none"> • Through the Recipient's website • Leveraging existing social media channels • Organizing information sessions for prospective participants • Printed materials and brochures distributed to community partners, such as Chambers of Commerce, Boards of Trade and Business Associations • Advertising through local newspaper and radio • Community outreach to youth organizations, business support groups, employment agencies and libraries • Presentations to schools and educational institutions and school boards • Participation in trade shows and community events • Youth entrepreneur trade show • Direct message to past Summer Company participants and the Recipient's clients under 30 	<p>Annual reporting on the development and implementation of marketing and promotional, and recruitment strategies for all youth who have applied. This includes vulnerable youth, such as, but not limited to the following:</p> <ul style="list-style-type: none"> • Francophone, • Aboriginal, • Youth facing multiple barriers, and/or • Youth in high needs areas. <p>The Recipient will populate the fields in ECR as identified in Schedule "D".</p>

Detailed Description of Program Activities		
Description	Key Activities	Related Reporting Requirements
	<ul style="list-style-type: none"> • An E-mail blast to the Recipient's database • A press release • Presentations to Council and delivery of information to local Economic Development offices, Rotary Groups and Chambers of Commerce <ul style="list-style-type: none"> • To reach out to francophone applicants the Recipient will work with members of La Cle de La Baie or Northern Lights. • To reach out and accommodate youth facing multiple barriers and/or living in high needs communities, the Recipient will work with community organizations dealing with youth facing barriers, such as the Young Men Christian Association. • The program will also be promoted directly to: <ul style="list-style-type: none"> • Welcome Centres • Local Immigration Partners • Ontario Works local partners • Ontario Disability Support Program partners • School boards/schools • Cultural community groups and associations • Employment Agencies • Rotary Clubs • Barrie Native Friendship Centre 	<p>*Subject to Timelines in Schedule "D".</p>
Mentoring: Mentors to Support	<ul style="list-style-type: none"> • The Recipient will: <ul style="list-style-type: none"> • Leverage existing mentors from Summer Company 	<p>Annual reporting on all key mentoring activities and requirements including the</p>

Detailed Description of Program Activities	
Description	Key Activities
<p>Youth</p> <ul style="list-style-type: none"> • or entrepreneurs club, past speakers, local business community, partner agencies with mentoring programs, such as the Community Future Development Corporations. • Reach out to existing organizations that support Youth or at-risk Youth, for potential mentors. • The Recipient will ensure that all recruited mentors: <ul style="list-style-type: none"> • Understand and meet the program requirements • Understand their roles, responsibilities, commitment and business planning and operations • Are interested in youth and entrepreneurship • Are current or former operators of small business • In the event that participants under 18 year old are accepted into the program, the Recipient will ensure that any mentors in contact with the applicants will be required to have a police check. • Additional training will be organized if required to address the needs of applicants with barriers through municipal the Human Resources department or external trainer, such as sensitivity training and crisis prevention. • The Mentoring Group will meet once every month for the duration of the Starter Company program (two year period) and conduct one-on-one mentoring on an as needed basis. Additional one-on-one mentoring will be 	<p>Related Reporting Requirements</p> <p>*Subject to Timelines in Schedule "D".</p> <p>number of:</p> <ul style="list-style-type: none"> • Mentors recruited, • Training sessions that occurred, and • Mentoring meetings and workshops conducted. <p>The key activities noted above are for all youth who have applied. This includes vulnerable youth, such as, but not limited to the following:</p> <ul style="list-style-type: none"> • Francophone, • Aboriginal, • Youth facing multiple barriers and/or Youth in high needs areas. <p>The Recipient will populate the fields in ECR as identified in Schedule "D".</p>

Detailed Description of Program Activities		
Description	Key Activities	Related Reporting Requirements
	<p>arranged on an as needed basis.</p> <ul style="list-style-type: none"> • Mentors and participant will both fill out a tracking log of their discussions during their meetings, as well as their agreed upon decisions. • To manage oversight and documentation, the Youth Program Consultant will be present at each of the monthly mentoring meetings and will take notes. • To manage turnover of mentors, the Recipient will have a backup list of mentors that can be maintained, which will include Economic Development staff and advisory committee members. 	<p>*Subject to Timelines in Schedule "D".</p>
Program Operations	<ul style="list-style-type: none"> • The Recipient will have one Youth Business Consultant to assist with the operation of the program. • The Youth Business Consultant will: <ul style="list-style-type: none"> • Focus primarily on the delivery of Youth Entrepreneurship Programs, including Starter Company and Summer Company. • Assist in providing support for the applicants, mentors in the program, targeted marketing and with event management. 	<p>Annual reporting on Program operations. The Recipient will populate the fields in ECR as identified in Schedule "D".</p>

Detailed Description of Program Activities		
Description	Key Activities	Related Reporting Requirements
<p>Training</p> <ul style="list-style-type: none"> The core training will last four weeks and will comprise of many sessions. The sessions will be up to three hours in length, with assigned homework in core subject, including: <ul style="list-style-type: none"> Market Research Marketing Plan (Product, Price, Place, Promotion) Financial Plan Operations The Recipient will supplement training with webinars, seminars and one-on-one consultations. All participants will be notified of the milestones they need to complete before they move on to the next session. <ul style="list-style-type: none"> This will include submission of target market details and market research, advertising plan, risk plan and cash flow projections. All milestones together will comprise the completed business plan. Participants will create their business plans based on the modules thought during the core Sessions, which are based on standard business plan template. Business plan targets and milestones for the business plan will be pre-determined in consultation with the participants. Program completion targets and milestones will be 	<p>*Subject to Timelines in Schedule "D".</p> <p>Annual reporting on all training activities including participant training and mentor training for all youth. This includes vulnerable groups, such as, but not limited to the following:</p> <ul style="list-style-type: none"> Francophone, Aboriginal, Youth facing multiple barriers, and/or Youth in high needs areas. <p>The Recipient will populate the fields in ECR as identified in Schedule "D".</p>	

Detailed Description of Program Activities		
Description	Key Activities	Related Reporting Requirements
	<p>determined based on common criteria, such as sales target, business registration and insurance purchased. The milestones or targets will be agreed upon by the Participant, Youth and Small Business Consultants and the Regional Grant Committee.</p> <ul style="list-style-type: none"> • The Recipient will train and ensure that all staff supporting the delivery of the programs are qualified to perform their roles. • To ensure that mentors understand their roles, they will be provided a set of Starter Company guidelines. The Recipient will review the guidelines with the mentors and ensure they understand the requirements of the program. • Mentors will also attend a mandatory orientation meeting before the start of the monthly mentoring meetings. • All mentors will be required to read and sign off on the "Conflict of Interest Guidelines." 	<p>*Subject to Timelines in Schedule "D".</p>

Milestones and Timelines

The Recipient will carry out the activities to meet the program targets set out in the chart above and report on activities and progress on the program to meet reporting specifications in Schedule "D" below substantially in accordance with the timelines set out below and specified in Schedule "D"

Program Start Date: October 7, 2013

Program End Date: June 30, 2016

SCHEDULE "C"

PAYMENTSCHEDULE

PAYMENT DATE OR MILESTONE	AMOUNT OF MAXIMUM FUNDS
Upon both Parties signing the Agreement and receipt by the Province of the insurance certificate required under section 11.2 to the Agreement	60%
Receipt and acceptance by Province of first Annual Report (June 30, 2014)	No Payment Attached to first Annual Report
Receipt and acceptance by Province of second Annual Report (June 30, 2015)	30%
Receipt and acceptance by Province of Final Program Report and Audit Report (June 30, 2016)	10%

SCHEDULE "D"

REPORTING REQUIREMENTS

Name of Report	Due Date
1. Monthly Report (in Enterprise Centre Reporting (ECR) – as identified by the Province)	By the 10 th business day of each month.
2. Proof of Insurance Certificate	Upon signing of Agreement and annually (on or before the 7 th day of April) to show coverage for each fiscal year.
3. Submission of Recipient's Financial Certificate	June 30, 2014 and June 30, 2015
4. First Year (2013-14): Annual Report and Submission of Recipient's Conflict of Interest Guidelines	June 30, 2014
5. Second Year (2014-15): Annual Report	June 30, 2015
6. Final Program Report and Audit Report	June 30, 2016
7. Such additional reports as the Province may specify from time to time	On a date or dates specified by the Province.

REPORT DETAILS

Each Annual Report shall include the following items:

- A completed request for disbursement substantially in the form set out in the Schedule "F" and any other details that may be requested by the Province.

Annual Reports

The Annual Report will be in a template to be provided by the Province and in an electronic format that is suitable for printing, employing office automation software (e.g. MS Office).

The Annual Reports will require the following information:

- a) Narrative Report:
 - A general description of the operations of the program in the past year:
 - Application and program intake process
 - Composition of mentoring group
 - Follow-up with mentors and with participants
 - Frequency of meetings
 - Description of training and counselling activities

- Successes – aspects which were successful and worked well
- Improvements planned for subsequent year(s)
- Marketing efforts including accommodations (if any) for youth facing multiple barriers
- Marketing and promotional materials and recruitment
- Survey results from mentors and participants
- Confirmation of compliance with the *French Language Services Act*.

b) Financial Report

- Actual funds spent as compared to the Budget attached as Schedule “B” to the Agreement with any variances identified,
- The Financial Reporting and Satisfactory Progress Certificate, in the form attached as Schedule “E” hereto, signed by the Chief Financial Officer, the Board chair or equivalent if applicable, and a budget forecast for subsequent fiscal year(s).

1. The Annual Report will set out:

- i. actions undertaken to the date of the Report and how they relate to the objectives of the Program;
- ii. any Program milestones, achieving program targets, achieved within the reporting period;
- iii. how Program objectives / expectations have been met or an explanation of why they have not been met and what actions are being taken in this regard;
- iv. any variances from the Program timelines, the reasons for such variances and the strategy used to correct the variances and achieve the Program objectives;
- v. a statement confirming that the Recipient is in compliance with the terms and conditions of the Agreement; and
- vi. whether or not the Program as described in the Agreement can be completed.
- vii. an interim accounting of all Program expenditures to date signed by the Chief Financial Officer, the Board chair or equivalent, if applicable, or as otherwise agreed to by the Province confirming actual Program expenditures and providing an explanation for any variances from the Budget forecast;
- viii. a budget forecast for subsequent year(s) which includes an accounting of any other funding for this Program received by the Recipient, the identification of the funding organization, the amount and the specific aspect of the Program that the additional funding is supporting as well as a statement confirming that there is no overlap of funding from Province and from any other organization/level of government; and
- i. whether or not the Program as described in the Agreement can be completed.

2. The Final Program Report will:

- i. discuss Program objectives / expectations, confirming that Program objectives / expectations were met, or if not, why they were not, setting out lessons learned;
- ii. include a final accounting of all Program expenditures signed by the Chief Financial Officer, the Board chair or equivalent if applicable, or as otherwise agreed to by the Province confirming actual Program expenditures and providing an explanation for any variances from the Budget;
- iii. include an accounting of any unspent Funds and an explanation as to why there are remaining Funds;
- iv. include a final accounting of the other funding received by the Recipient for this Program , the identification of the funding organization/level of government, the amount and the specific aspect of the Program that the additional funding supported as well as a statement confirming that there has been no overlap of funding from the Province and from any other organization/level of government; and
- v. include a statement signed by the authorized official at the Recipient confirming Recipient compliance with the terms and conditions of the Agreement.

3. Audit Report

- i. Project Audit – The Recipient will provide the Province with an Auditor's certificate by June 30, 2016 in the form of Schedule "J".

4. Other Reports:

- i. The Province will specify the timing and content of any other Reports that may be required by the Province.

SCHEDULE "E"

FINANCIAL CERTIFICATE

FINANCIAL REPORTING AND SATISFACTORY PROGRESS

Organization Name: _____

Project Name: _____

Period Start Date: _____ dd-
mmm-yy

End Date: _____ dd-
mmm-yy

I, _____, _____ of
(Name of Officer) (Title)

hereby certify that to the best

to my knowledge, information and belief and after making all appropriate
examinations and enquiries, the financial information reported for the
period _____ to _____
(dd-mmm-yy) (dd-mmm-yy)

is accurate and complete, and is in compliance with all relevant sections
of the Agreement between Her Majesty the Queen in Right of Ontario and

dated _____
(dd-mmm
yy)

Signed: _____

Dated: _____
(dd-
mmm-yy)

SCHEDULE "F"

REQUEST FOR DISBURSMENT

TO: The Ministry of Economic Development, Trade and Employment

FROM:

RE: Request for Funds for the Period Ending: _____

A Amount previously received this fiscal year:	\$
B Amount requested:	\$
C Actual Interest earned on Funds this fiscal year to date:	\$
D Total received and requested year-to-date plus Interest:	\$

I, of (the "Recipient") hereby certify that:

1. the unexpended and uncommitted balance of Funds as at < DATE > is \$,
2. after making all appropriate examinations and enquiries, the Institution is in compliance with the terms and conditions of the agreement (the "Agreement") with Her Majesty the Queen in right of Ontario dated effective <DATE > and there have been no material changes made to the Program or Budget, as such terms are defined in the Agreement;
3. the reported revenues and expenditures for the period ending _____ are accurately reported and that all Funds were spent in accordance with the Terms of the Agreement; and,
4. the amount requested herein as an advance in Funds will be incurred on behalf of the Recipient solely for Eligible Expenditures.

Dated this day of _____ 2013.

Signed: _____

SCHEDULE "G"

ELIGIBLE EXPENDITURES

Eligible and Ineligible Expenditures

Eligible Program expenditures must be directly related to the Program and not of a nature which would have been incurred by the Recipient in the normal course of business. Documentation for all expenditures must be kept on file for audit purposes. Ontario reserves the right to make a determination on the eligibility of expenditures submitted for reimbursement. In the event of any interpretation issues regarding the eligibility, valuation or other matter regarding expenditures, the decision of the Province shall be final and determinative. Expenses not described in the categories set out in this document require prior written approval of the Province in order to be considered eligible expenditures.

Eligible Expenditures

Examples of expenditures include, but are not limited to:

- Project administration and overhead (not to exceed 10% of Program budget)
 - Travel costs to attend business meetings within Ontario related to contract administration or to attend meetings that the Ministry or Ontario convenes or supports, all of which shall be subject to the *Travel, Meal and Hospitality Expenses Directive*.
 - Professional fees, including legal and audit fees, directly related to and required for the management of the project or to conduct the work of the project. Costs are not to exceed demonstrated fair market value.
 - Telecommunication fees including connectivity charges directly related to and required for the management of the Program.
 - Staff training costs directly related to delivery of the Program.
- Development, Marketing and Delivery Expenditures
 - Training delivery and participant support costs directly related to the development and delivery of the Program, all of which shall be subject to the *Travel, Meal and Hospitality Expenses Directive*.
 - Salaries of project staff which are pro-rated to the time spent on the delivery of the Program.
 - Travel costs to meet with potential partners or stakeholders within Ontario required in the development of the Program.
 - Marketing materials and related communication costs if directly related to the Program.
 - Information and marketing session costs required to attract Program participants. Facility and equipment rental fees and utilities used to support the Program, and not of a nature which the proponent would incur in the normal course of business, and which are demonstrably incremental to the Program.
 - Costs related to work performed by companies or individuals that contribute to the Program. Consulting or other services directly related to the Program must be costed at demonstrated fair market value or less.

- Honoraria to professionals directly related to the development and delivery of the Program

- Other components that the recipient may include in its Program, depending on the nature of the Program:
 - Support mechanisms to aid in overcoming participation barriers faced by vulnerable Youth facing multiple barriers to employment. Participation barriers may include:
 - Dependent care, transportation, tools and uniform costs.
 - Loss of income assistance and social assistance benefits.
 - Cost/time of conducting criminal record checks.

Ineligible Costs

The Province's funding cannot be used towards the following costs:

- Costs related to the development of the Program application.
- Costs not directly associated with the delivery of the Program or directly required to meet the deliverables of the Program.
- Administrative salaries, except for project management costs covered under Program administration and Program delivery.
- Out-of-province travel costs for Program staff.
- Capital expenses, including but not limited to, land, buildings, leasehold improvements.
- Costs related to activities outside of the Program.
- Stipends for project participants.
- Costs incurred prior to the Effective Date as stated in the Agreement.
- Expenses or fees payable to organizations located outside of Ontario.
- Annual membership fees to associations.
- Debt reduction charges

SCHEDULE "H"

SUMMARY OF THE TRAVEL, MEAL AND HOSPITALITY EXPENSES DIRECTIVE

TRAVEL - ALL EXPENSES MUST BE DIRECTLY RELATED TO THE PROGRAM

Airplane: Air travel is permitted if it is the most practical and economical way to travel.

- Economy (coach) class is the standard option for ticket purchase
- Please purchase your ticket as early as possible to access the most reasonable fares

Train: Travel by train is permitted when it is the most practical and economic way to travel.

- Coach class economy fare is the standard
- Please purchase your ticket as early as possible to access the most reasonable fares

Vehicle: Travel by vehicle is permitted when road transportation is the most practical, economical way to travel:

- Kilometres are claimed at \$0.40 per kilometre in the south and \$0.41 per kilometre in the north

Taxi Fares: Reimbursement of taxicab fares should be made only under the following conditions:

- When other means of transportation are not available
- When weather conditions warrant
- For health and safety considerations
- When transport of work-related baggage or parcels is required
- For group travels when cost effective
- Maximum claimable gratuity (tip) is 10%

Hotels: Reimbursement of hotel costs is permitted when these costs are the most practical, economical way to accommodate the person:

- Typically hotels costs should be for \$150/night or less – the hotel room cost should be economical for the community in which the hotel is being booked
- A basic, economical hotel room is the standard option
- Booking hotel suites or larger/more deluxe rooms should not be permitted
- When a block of hotel rooms is made available for an event, conference etc. at a reduced rate, rooms at higher rates should not be covered
- If another hotel or room is booked when a conference/event block of rooms was available, only costs up to the conference rate should be covered. It is up to the claimant to book the hotel room at the reduced rate within a reasonable timeline to get the rate.
- Hotel expenses charged should be for the hotel room alone. Phone calls, room service, internet charges, movie charges, parking, other service charges etc. should not be "bundled" into the hotel room rate. The exception being any food

costs that are offered as a deal within a room rate. For example, a hotel "Bed & Breakfast" option where the cost of the room and breakfast are economical.

MEAL RATES IN CANADA INCLUDING TAXES AND GRATUITIES

- \$8.75 Breakfast
- \$11.25 Lunch
- \$20.00 Dinner

Please Note:

- When a meal is provided as part of a conference or other event, the costs of an alternative meal other than the conference or event meal should not be covered.
- No alcohol costs can be claimed and should not be covered as part of meal or travel costs.
- Reimbursement should be for restaurant/prepared food only. Groceries should not be covered.
- Room service meals while staying at a hotel should not be covered.

Submitting Claims & Records

All travel claims must be maintained for financial records by the claimant and the organization paying the travel claim:

- Claimants should submit original, itemized receipts with all claims (credit card slips are not sufficient).
- All claims should be supported by original itemized receipts. "Original itemized receipts" refers to a receipt that lists the items purchased and the individual prices for each item on the receipt.
- For more information on the Government of Ontario *Travel, Meal and Hospitality Expenses Directive*, April 1, 2012, please see:
http://www.mgs.gov.on.ca/en/Spotlight2/STDPROD_080798.html

SCHEDULE "I"

COMMUNICATIONS PROTOCOL

1. The Recipient shall provide to the Province, prior to release, an electronic copy of all reports, announcements, brochures, audiovisual materials, internet materials, advertising and publicity, including design or other public communication or publication.
2. The Recipient shall advise the Province's staff (to be designated by the Province) of any upcoming (positive or negative) announcements or advertising campaigns related to the Recipient's Program activities (e.g. news release, news conference, awards, bankruptcies, etc.) and, at the Province's option, provide the Province with the opportunity to participate or be present at these announcements. The Recipient will provide the Province with a minimum of ten (10) business days prior oral or written notice of such announcements or advertising campaigns.
3. The Recipient will not make any public announcement related to the Recipient's Program activities until the Province has been notified of the announcement.
4. The Recipient will respond to requests by the Province for information about any public announcement as soon as possible and in any event will provide an initial response within twenty-four (24) hours.
5. The Recipient will acknowledge that the Recipient is a member of the Ontario Network of Entrepreneurs ("ONE") by using the official ONE logo, in accordance with the ONE Brand Standards Guide provided by the Province.
6. The Recipient will include information about the Starter Company Program prominently displayed on its website, including promotional material and instructions for accessing the Program, with links to the Provincial youth jobs web page or other websites identified by the Province. This includes the Recipient using the visual identifiers for Youth Job Strategy (YJS) provided by the Province.

SCHEDULE "J"

AUDITOR'S CERTIFICATE

TO:

Attention:

CC: Ministry of Economic Development, Trade and Employment ("Ontario")

Entrepreneurship Branch
Ministry of Economic Development, Trade and Employment/Ministry of Research and
Innovation
56 Wellesley Street West – 5th Floor
Toronto, Ontario, M7A 2E7

Attention: Manager, Entrepreneurships Partnerships Unit

RE: **Agreement between Her Majesty the Queen in right of Ontario as represented by
the Minister of Economic Development, Trade and Employment ("Ontario") and
_____ (the "Recipient") dated effective October 7, 2013 (the "Agreement")**

Except as otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.

We have audited the accompanying Schedules (the "Schedules") which comprise a summary of the financial and program reporting provisions of the Agreement and other explanatory information, relating to the Certificate dated *[insert date]* for the period *[*] to [*]*. The Schedules have been prepared by management of the Recipient based on the Final Program Audit Report (Schedule "D") provisions of the Agreement.

Management's Responsibility for the Schedules

Management is responsible for the preparation of the Schedules in accordance with the Final Program Report requirements of the Agreement, and for such internal control as management of the Recipient determines is necessary to enable the preparation of the Schedules that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedules based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misinformation of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Management's preparation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Recipient's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedules for the period ● to ● is prepared, in all material respects, in accordance with the Final Program Report provisions of the Agreement.

Basis of Accounting Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the note to the Schedules, which describe the basis of accounting. The Schedules are prepared to assist the Recipient to comply with the financial and program reporting provisions of the Agreement. As a result, the Schedules may not be suitable for another purpose. Our report is intended solely for the Recipient and Ontario and should not be distributed to or used by parties other than the Recipient and Ontario.

DATED: _____

Signed
Chartered Accountant