

Dehcho First Nations **Royalties Committee Guidelines**

INTRODUCTION and OBJECTIVE

In December 2002, the Dehcho First Nations and the Government of Canada signed an Interim Resource Development Agreement to foster resource Development in the Dehcho Territory and to accrue benefits to the Dehcho First Nations from Canada in the interim of a Dehcho Final Agreement. Appendix A

The Leadership by Resolution will establish an Interim Resource Development Committee to manage and administer the delivery of economic development funds under the IRDA agreement. Appendix B

The Committee is charged with the task of receiving the annual percentage of federal resource royalties collected from the Mackenzie Valley in the previous year equivalent to 12.25 percent of the first \$2.0 million and 2.45 percent of any additional resource royalties received by the Government of Canada in the Mackenzie Valley.

The Committee is charged with the task of developing a guideline for a process of transfer and administration of the funds and a general consideration to be given when assessing the merits of various economic development initiatives.

Committee members in their duty must make ethical decisions with regard to people, conflicting demands and business operations. These decisions are moral decisions as they will greatly affect others and may have consequences.

Committee members must be obliged to uphold the spirit and philosophy of Dene Laws, Values and Principles that may apply to the purpose of this committee. Appendix C

The Committee may recommend innovative changes to enhance the delivery of the funds to the Grand Chief.

The Committee may recommend the introduction of the development of a Dehcho First Nation Corporate Code of Ethics. Developing a strong ethical culture and adhering to regulatory compliance, employee employer relationships, fraud, harassment, policy violation, theft and other ethical issues in the workplace is a critical element to the Dehcho Government.

GOVERNANCE

Membership

The IRDA Committee will be consisting of 4 to 5 voting members, comprising of two elected leaders and two executive committee members. The committee will select a Chair every 3 years. Committee members must possess extensive business knowledge and strong interest in furthering the economic development of Dehcho First Nations Territory.

Term

The committee members will serve a 3 year term, which may be renewed of a second term. Term start dates will be staggered with two starting in one year and two the following year. A minimum of 3 comprise a quorum. A motion is passed by a consensus of members in attendance. Any motion not in consensus will be referred to the Executive Committee for a final decision. Non-voting members of the Committee include CEO and Finance Controller serving as Ex Officio and serving the committee.

Accountability

The Committee Chair is accountable to the Grand Chief. The Committee to take seriously their duties on the Committee. The Committee Terms of Reference will be reviewed every two years by the Grand Chief.

Meetings

The committee chair will convene meetings upon notification of receipt of resource royalties received by the Government of Canada in the Mackenzie Valley. There will be a minimum of 3 meetings per year.

Minutes of the committee meeting must be maintained and made available to the Grand Chief. IRDA Committee business will be reported to the Annual General Assembly of the Dehcho Leadership.

FUNDING

All funding from the agreement including business transactions and grant payments are accounted for in the Dehcho Royalties Program.

OPERATING PROCEDURES

The committee will hold annual meetings to conduct normal business and make recommendations on the awarding of grants to successful applicants.

The deadline for applications is September 30th. The CEO can accept applications throughout the year, decisions about the grants are made only at the annual meeting. A call for proposals will be advertised publicly annually on August 1st, and is also placed on the Dehcho First nations website and public radio.

The committee reviews each application for compatibility with the committee's prime objectives. Grants are made to support economic activities of individuals, companies, community, regional, partnerships, joint ventures and broad significance.

The eligible Criteria are

- a) satisfactory management capacity
- b) the intended impact on the client group or community
- c) compliance with the program objectives and
- d) proposed results that are achievable

Proposals must demonstrate their objectives in the following category;

- a) Planning and Development
- b) Pilot and demonstration projects
- c) Business Creation or Expansion
- d) Market Development and Product Promotion
- e) Business Skills
- f) Business Relief
- g) Community Initiatives
- h) Traditional Arts and Fine Crafts – Raw Materials
- i) Commercial Fishery Assistance
- j) Forest Industry Assistance
- k) Community Market Garden Development Program
- l) Capital Improvements to sustain Equity
- m) Increase participation in resource development with negotiations with benefit agreements and joint ventures

**Proposals must state they are of Dehcho First Nations members and supported by ownership and control and include incorporation documents, shareholders' or members' register, partnership agreements, joint venture agreements, business name registration, banking arrangements, governance documents, minutes of meetings of Board of Directors and Management Committees and or other supporting legal documents. The eligible applicants are;

- a) a band as defined by the Indian Act
- b) Métis Local signed on August 19, 1993 with the Dehcho First Nation Declaration of Rights
- c) A sole proprietorship
- d) A limited company
- e) A co-operative
- f) A partnership
- g) A not-for-profit organization in which Dehcho First Nations Member have at least 51 percent ownership and control
- h) A joint venture in which Dehcho First Nations Member have at least 51 percent ownership and control and must be maintained throughout the duration of the contract

**Proposals must provide an overall business plan. The business plans must provide a detailed outline of the history, management, operations, marketing and financial aspects of the business. The plan should demonstrate why the applicant requires an economic development contribution and how this contribution will make it a viable, ongoing business venture that would not likely go ahead in the absence of support. The business plan should be the basis for preparing the project approval documents.

The Dehcho First Nation Interim Resource Development Agreement Committee will provide a template for a business plan that contains the following information:

- a) Name of applicant
- b) Business structure and ownership
- c) History and background of business
- d) Location
- e) Marketing plan
- f) Competition
- g) Production
- h) Historical and projected financial statements
- i) Working capital
- j) Training requirements
- k) Job creation
- l) Project costs (source and application of funds)
- m) Facilities and equipment
- n) Loan security
- o) Impact of the project on the community
- p) Summary and evidence supporting viability
- q) Letters of Reference and or support from a Dehcho Elected Leader

Successful applicants will receive 90 percent of approved grant and 10 percent holdback will be released upon certification of meeting the requirements.

Applicants deemed not meeting the requirements or providing untrue statements will forfeit the 10 percent holdback and disqualified from future grants for 5 years.

****Requirements include:**

- a) audited financial statements
- b) actual receipts of purchases
- c) funding was used for said purposes
- d) any amendments to application must be approved by IRDA committee
- e) acceptable report supporting that funds were expended for the true intent
- f) absolutely no exploitation of Traditional Knowledge for monetary value unless with the written permission of the Dehcho Leadership

**** ALL ABOVE NOTED CRITERIA AND REQUIREMENTS MUST BE MET TO BE ELIGIBLE FOR THE INTERIM RESOURCE DEVELOPMENT AGREEMENT FUNDING.**

The CEO and Finance Controller will:

- a) Post advertisement of request for proposals on August 1st.
- b) Record and Receive proposals before 5 pm on September 30th.
- c) Committee will not honour any applicants after this deadline.
- d) Report to Committee of applicants not meeting the criteria and or requirements.
- e) Provide all potential applicants with a template of application and template of reporting requirements.
- f) Disburse funding to all successful applicants with notification of the 10 percent holdback.
- g) Notification to successful and non-successful applicants on the status of the applications.
- h) Notification to all applicants of the release of information to the leadership.
- i) Prepare meeting packages
- j) Ensure the proper management of confidential information
- k) Ensure the proper records management are adhered to
- l) Release 10 percent holdbacks upon applicants fulfillment of requirements
- m) Report to Chair and committee 10 days advance notice of meetings
- n) Ensure that required reporting of disbursement of IRDA funds are reporting to funding sources and the Dehcho Leadership at the Annual General Assembly.

November 9th, 2005 Leadership Meeting discussion summary

Allocation of funding to communities based on per capita formula

Allocation of funding to community leaders to allocate to their members

Allocate funding by