

**COMFOR MANAGEMENT SERVICES LTD.**

**POLICY 2008 - 01**  
**Expenditure of Priority Monies**

**Policy Title: Expenditure of Priority Monies**

**Policy Number: 2008- 01**

**Date Approved: March 19, 2008**

**SECTION 1 – PREAMBLE**

WHEREAS Comfor Management Services Ltd. is a publicly owned company, and as such, its actions and those of its board of directors should be open to a measure of public scrutiny;

AND WHEREAS the board of directors for Comfor Management Services Ltd., recognizing its responsibility to manage its assets for the benefit of the company and community as a whole, has established a policy of allocating up to 30 per cent of its before-tax earnings to a special Priorities Account, as outlined in Policy 2007-01 (Fiscal);

THEREFORE BE IT RESOLVED that the board of directors for Comfor Management Services Ltd., in the interest of good management, establishes the following policy pertaining to the expenditure of monies held in its Priorities Account.

**SECTION 2 – EXPENDITURE OF MONIES IN PRIORITIES ACCOUNT**

- 2.1** No monies deposited in any fund within the Priorities Account shall be expended unless:
- (1) The board of directors has received a written application for monies in the Priorities Account that conforms to the guidelines established in this policy;
  - (2) The Evaluation Committee has reviewed the application and made a formal recommendation on it to the board of directors of Comfor Management Services Ltd.; and
  - (3) The board of directors for Comfor Management Services Ltd. has approved, by formal motion, the application for funding (and thereby agreed to provide all, or a portion of, the monies requested); and

## **SECTION 3 – APPLICATION FOR MONIES IN PRIORITIES ACCOUNT**

### **3.1 APPLICATION PROCESS**

Requests for monies held in the various funds within the Priorities Account (as outlined in Policy 2007-01 [Fiscal]) must be submitted in writing to Comfor Management Services Ltd., according to the following guidelines:

#### **3.1.1 Applications for Priority 1 - 5 Monies**

##### **3.1.1.1 Eligible Applicants**

Applications for monies allocated to **Priority 1 (Local Management & Economic Diversification)** and **Priority 2 (Local Employment & Processing of Resources)** of the Priorities Account will be considered from non-profit and for-profit organizations within the Lakes District (defined as the Lakes Timber Supply area and that portion of the Morice Timber Supply Area directly serviced by the Colleymount or Ootsa-Nadina roads).

Examples of eligible **Priority 1 & 2** applications are requests for funds to complete a business plan, market research, or economic development study.

Applications for monies allocated to **Priority 3 (Recreation, Forestry Training and Education)**, **Priority 4 (Other Community Support)**, and **Priority 5 (Promotional Advertising & Activities)** of the Priorities Account will only be considered from non-profit or community support organizations within the Lakes District.

Examples of eligible **Priority 3 – 5** applications are requests for funds for physical assets (buildings, renovations of buildings, equipment, upgrading equipment), services (recreation, arts and culture, training), and events (community festivals, fairs).

Comfor Management Services Ltd. shall not consider requests for funding from groups or individuals organizing events or programs that are not open or available to everyone in the community, or events/programs that are not deemed beneficial to the community as a whole.

##### **3.1.1.2 Application Format**

Requests for funding must be submitted to the board of directors on the application form provided by the company,

and include at a minimum the following supporting material:

- a) A budget for the event or program that clearly shows how, if approved, the requested monies will be utilized;
- b) An outline of the organization's goals and/or objectives, or the goals and objectives of the program for which the donation is requested;
- c) A copy of the organization's most recent financial statement; and/or
- d) Any other information deemed required by the board of directors for Comfor Management Services Ltd.

In addition to submitting a written request of this type, a group seeking funding from Comfor Management Services Ltd. may also present its request orally at a meeting of the Evaluation Committee or board of directors. Presentations of this type are to be made at a date and time convenient to the Evaluation Committee or board of directors.

#### **3.1.1.3 Application Deadlines**

Applications for monies in the **Priority 1 – 5 funds** of the Priorities Account, except those deemed "**Extraordinary**" in nature by the board of directors, may be submitted to the company at any time throughout the year. However, the deadlines for consideration of these applications by the Evaluation Committee and the board of directors for Comfor Management Services Ltd. shall be April 30 and October 31 of each year.

#### **3.1.2 Late Applications**

At the board of directors' discretion, the company may entertain "**Late**" applications for funding.

"**Late**" applications are those for which, in the opinion of the board of directors, no advance request could feasibly be submitted due to exceptional circumstances beyond the applicant's control. Failure on the part of an applicant to meet the application deadlines set out in section 3.1.1.3 shall not in itself be construed by the board of directors as adequate justification for entertaining a "**Late**" application.

An organization wishing to make a "**Late**" application for funding must, in addition to complying with the pertinent requirements set out elsewhere in this policy, submit to the board of directors a brief

explanation of the circumstances that make said application "**Late**." The decision as to whether an application is indeed "**Late**" and worthy of consideration shall be made solely by the board of directors.

No "**Late**" application for funding shall be approved if, in so doing, it would exceed monies available within any one of the Priorities Account funds. Such applications shall instead be considered "**Extraordinary**" applications, and dealt with according to the guidelines outlined in section 3.1.3 of this policy.

### **3.1.3 Extraordinary Applications**

The following applications shall be deemed "**Extraordinary**" applications under this policy:

- (a) Applications for monies in excess of reserves;
- (b) Applications for monies for business ventures to be solely owned by Comfor Management Services Ltd. (Solely-Owned Business Venture Proposals); and
- (c) Applications for monies for business proposals involving Comfor Management Services Ltd. and one or more other parties (Joint Venture Proposals).

#### **3.1.3.1 Eligible Applicants**

The Eligible Applicants for monies in excess of reserves (**Priorities 1 – 5**) shall be those outlined in section 3.1.1.1.

Applications for monies for new Solely-Owned Business Ventures and Joint Ventures will be considered from non-profit and for-profit organizations operating within the Lakes District (as defined in this policy) or intending to establish operations within the Lakes District.

#### **3.1.3.2 Application Format**

##### **(a) Applications for monies in excess of reserves**

The board of directors for Comfor Management Services Ltd. may from time to time receive applications for monies in excess of those held in the various funds within the Priorities Account. The Application Format for these requests is the same as that outlined in section 3.1.1.2.

##### **(b) Solely-Owned Business Venture Proposals**

The board of directors for Comfor Management Services Ltd. may from time to time receive

applications for monies for new Solely-Owned Business Ventures.

To be eligible for consideration, Solely-Owned Business Venture Proposals must be submitted in writing to the board of directors for Comfor Management Services Ltd., and contain at a minimum the following information:

- a) Nature of the Proposal
- b) Business Plan/Cash Flow Forecast
- c) Total capital investment, including
  - Land
  - Buildings
  - Equipment
  - Operating Capital
- vi) Total capital investment required from Comfor Management Services Ltd.
- vii) Marketing plan and methodology
- viii) Anticipated return on investment
- ix) Fibre requirements (if forest enterprise)

**(c) Joint Venture Proposals**

The board of directors for Comfor Management Services Ltd. may from time to time receive applications for monies for new Joint Ventures.

To be eligible for consideration, Joint Venture Proposals must be submitted in writing to the board of directors for Comfor Management Services Ltd., and contain at a minimum the following information:

- a) Nature of the Proposal
- b) Proposed Joint Venture share structure
- c) Business Plan/Cash Flow Forecast
- d) Total capital investment, including
  - Land
  - Buildings
  - Equipment
  - Operating Capital
- vi) Total capital investment required from Comfor Management Services Ltd.
- vii) Marketing plan and methodology
- viii) Anticipated return on investment
- ix) Fibre requirements (if forest enterprise)

**3.1.3.3 Deadlines - Extraordinary Applications**

**"Extraordinary"** applications for funding in excess of reserves, as well as those for new Solely-Owned Business Ventures or Joint Ventures, may be submitted to the board of Comfor Management Services Ltd. at any time throughout the year.

## **SECTION 4 - EVALUATION OF APPLICATIONS**

### **4.1 RESPONSIBILITY FOR EVALUATING APPLICATIONS**

#### **4.1.1 Evaluation Committee**

All applications for funding from the Priorities Account shall be evaluated by a committee (the "Evaluation Committee") appointed by the board of directors for Comfor Management Services Ltd.

For **Priority 1 – 5 Fund** applications and **"Late"** applications, the Evaluation Committee shall consist of no fewer than three individuals. Members of the community as a whole, members of the board of directors for Comfor Management Services Ltd., and employees of Comfor Management Services Ltd., are all eligible to serve on the Evaluation Committee for **Priority 1 – 5 Fund** applications.

For **"Extraordinary"** applications, the Evaluation Committee shall consist of:

- a) At least two members of the board of directors for Comfor Management Services Ltd.;
- b) The General Manager of Comfor Management Services Ltd. or his designate; and
- c) If deemed advantageous, at least one individual who is (i) not affiliated with Comfor Management Services Ltd. or its subsidiaries, and (ii) has recognized expertise a field directly related to the proposal under consideration.

Whenever external expertise is contracted to assist with the evaluation of **"Extraordinary"** applications, the contracted individual(s) will be required to sign confidentiality agreements with Comfor Management Services Ltd.

#### **4.2.1 Evaluation Criteria**

##### **4.2.1.1 Priority 1 – 5 Applications**

The Evaluation Committee shall, no later than one month after the application deadline(s), review all eligible requests for monies in the **Priority 1 – 5 Funds**. The following evaluation criteria shall be applied:

(a) Percentage of community that will benefit: 50 / 100

Benefit Description	Benefits entire or near entire community	Benefits more than half the community	Benefits approximately half the community	Benefits less than half the community	Benefits a portion of the community or only a particular group
Ranking	5	4	3	2	1

(b) Term of Economic Benefit to the Community

Term of Benefit	Long term > 10 years	Moderate to long term benefit	Moderate benefit 5 years	Short to moderate term benefit	Short term benefit (one month to one year)
Ranking	5	4	3	2	1

Final ranking of funding applications is derived by multiplying the weighted per cent per category by the rank of the category.

Final Ranking of Funding Application*	
Evaluation Criteria	% x Ranking
1. Percent of community to benefit	
2. Term of economic benefit	
Total *	

\*Funding applications with the highest rank will be considered to have the highest eligibility for support.

(d) Applications for **Priority 1 – 5** monies will also require that the Evaluation Committee take into consideration the following:

- (i) How will this proposal affect the ability of Comfor Management Services Ltd. to contribute to local management of resources? **(Priority 1)**
- (ii) How will this proposal affect the ability of Comfor Management Services Ltd. to provide

- additional revenue to support the community at large? **(Priority 1)**
- (iii) Will this proposal create local employment? If so, how much? How will this proposal affect the ability of Comfor Management Services Ltd. to support local employment? **(Priority 2)**
  - (iv) Will this proposal involve local processing of local resources (where possible, given the equivalent revenue)? How will this proposal affect the ability of Comfor Management Services Ltd. to support local processing of resources? **(Priority 2)**
  - (v) Does the proposal contain a recreation component, or will it create financial or other opportunities to support community recreation? How will this proposal affect the ability of Comfor Management Services Ltd. to support recreational activities? **(Priority 3)**
  
  - (vi) Does this proposal contain a training and/or education component, one that is culturally significant or beneficial to First Nations? How will this proposal affect the ability of Comfor Management Services Ltd. to support training and education? **(Priority 4)**

#### **4.2.1.2 Late Applications**

The Evaluation Committee shall review “Late” applications at its earliest possible opportunity using the evaluation criteria outlined in section 4.2.1.1 of this policy.

#### **4.2.1.3 Extraordinary Applications**

The Evaluation Committee shall evaluate all “Extraordinary” applications in a timely manner. The evaluation criteria shall include the following:

- (a) The ability of the proposal to meet the relative priorities of Comfor Management Services Ltd., as outlined in this policy;
- (b) The ability of the proposal to meet the priorities of Comfor Management Services Ltd. as outlined in its Mission Statement, or the Mission Statements/Emerging Strategies of its subsidiaries;

- (c) The ability of the proposal to meet the goals and priorities of Comfor Management Services Ltd. and its subsidiaries, as determined by the company's board of directors at its most recent planning session;
- (d) The relative financial risk to the company(s).
- (e) Any other criteria the Evaluation Committee deems appropriate.

#### **4.2 EVALUATION RESPONSE**

The Evaluation Committee shall, at the earliest opportunity after reviewing one or more applications for monies in the Priorities Account, provide its recommendations in writing to the board of directors for Comfor Management Services Ltd.

### **SECTION 5 – DISPOSITION OF APPLICATIONS**

#### **5.1 REVIEW OF RECOMMENDATIONS OF EVALUATION COMMITTEE**

Upon receipt of the Evaluation Committee's written recommendations on applications for funding from the Priorities Account, the board of directors for Comfor Management Services Ltd. shall meet for the purpose of approving, approving in part, or denying said applications.

##### **5.1.1 Late Applications, Applications for Priority 1 – 5 Monies**

In the case of "**Late**" applications and applications for monies in the **Priority 1 – 5 Funds**, the recommendations of the Evaluation Committee shall be considered – and the applications either approved, approved in part, or denied – at a regular or special public meeting of the board of directors for Comfor Management Services Ltd.

**5.1.2** In the case of "**Extraordinary**" applications, the recommendations of the Evaluation Committee shall be considered – and the applications either approved, approved in part, or denied – at an in-camera meeting of the board of directors for Comfor Management Services Ltd.

#### **5.2 RESPONSE TO APPLICATIONS**

Comfor Management Services Ltd. will respond to all applications in writing. Whenever possible, responses will be delivered in a timely fashion.