



Growing communities one idea at a time.

## **Community Futures - Rural Diversification Initiative (RDI)**

### **RDI Project Funding**

**Guidelines and Information for  
Alberta Community Futures organizations**

**Note: All RDI Applications must come through an Alberta Community Futures Office. Please contact your local CF Office for more information.**

**Prepared by the  
Community Futures Network of Alberta  
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## **RDI Funding Guidelines**

### **April 2009**

## **Description of the Rural Diversification Project Funding**

The RDI initiative provides funds to Community Futures organizations for economic diversification projects in Alberta.

RDI is targeted at rural diversification projects:

- minimum size \$100,000
- with clear measurable economic outcomes,
- partnerships with other organizations
- and strong private sector support.

Please note that RDI is not a grant to business. RDI projects should provide benefits to communities and/or industries, rather than individual businesses.

The total amount available for project funding is \$3.48 million over 3 years from April 1, 2008 to March 31, 2011. Total costs for each RDI project will be at least \$100,000. RDI funding will cover a maximum of 60% of eligible project costs. This initiative is funded through Western Economic Diversification Canada and is administered by Community Futures Alberta.

All funding applications must come through a Community Futures organization. Once an application is received, the RDI team at Community Futures Alberta assesses the application to see if it is eligible for funding. If the project is not eligible, the RDI Team will work with you to either re-structure the project or look for other sources of funding. If the project is eligible for RDI funding, it is ranked using the scale that is included in this document. Applications that receive a minimum score of 28/40 are passed on the RDI adjudication committee made up of the Community Futures Alberta board of directors and one representative from Western Economic Diversification. The typical length of time between when an application is submitted and when it is approved for RDI funding is between 2 weeks and 2 months.

## **Goals**

We want to build communities that have long-term sustainability, resiliency in the face of change, and a broad economic base with a variety of types of businesses and jobs. All projects funded by RDI will be rooted in a community economic development strategy that is based on the region's unique strengths and comparative advantages.

Rural Diversification is an increase in economic activity through the introduction of a new industry or the expansion of an existing industry through new products, new markets, or new processes. You can best achieve rural diversification by focusing on innovation, building human capital, and cluster development. Innovation refers to both product/service innovation (new products or services) and process innovation (efficiency or productivity enhancements like adopting new technology, computerization, using new

materials, introducing lean manufacturing, etc). Human capital is the knowledge, skills, talents and abilities that enable people to earn a living. Increased human capital is linked to increased rural diversification. You build human capital through training and education. And finally, cluster development is working with a geographic grouping of linked companies to develop co-operative strategies to improve productivity. In sum, by working with businesses, providing training, identifying common problems and coming up with collaborative solutions, we can help achieve rural diversification.

## Types of Projects RDI Will Support

RDI will support projects under the following categories. Please note that RDI projects do not have to address all of these areas to be eligible for funding – targeting one (or more) of the following areas is fine.

**Support for and Promotion of Productivity Enhancement:** This includes helping an industry or a number of firms enhance efficiency or productivity through the adoption of technology, using new materials, using new processes, introducing lean manufacturing, industry training, encouraging the mobility of skilled labour to help pass ideas from one firm to another, improved access to information, shared equipment or services through a business incubator-type project, technology demonstration sites, exposing firms to ideas and R&D from other countries, or linking firms to university and R&D companies etc. Productivity enhancement is linked to innovation.

**Import Replacement:** This means replacing imported goods/services with locally made goods/services. This can include any number of activities such as buy-local campaigns, identification of gaps followed by business attraction, reverse tradeshows where local businesses let local suppliers know what kinds of products/services they need, replacing imported energy with locally produced wind or solar energy, or replacing imported food with locally produced food.

**Development of New Markets:** This includes export development or developing new markets in targeted sectors like procurement.

**Innovative Access to Capital:** This includes the development of angel investor networks, programs that encourage innovative funding for business, and innovative access to growth capital

**Cluster Development:** A cluster is a geographic grouping of linked companies. The most basic benefit to clustering is that operating in a common location will attract more customers because they know they will have a range of choices available. Those firms who take this further and adopt co-operative strategies may be able to extract even more benefits. There are three forms of clustering:

- Horizontal – similar firms from the same stage in the value chain in the same industry co-locate in a region. Think tomato growers or antique dealers on the same street in a town.
- Vertical – the co-location of firms operating at different stages in an industry's supply chain. Think about independent grape-growers supplying local wineries where there are co-located warehousing, distribution, and specialized transportation businesses. Or, timothy hay producers located close to hay

compression plants or the vegetable growers at Red Hat Co-op or at Pik'n Pak at Gull Lake.

- Diagonal – here, each firm adds value to the activities of others, even though their products are quite distinct and clearly belong to other industry classifications. This kind of clustering is very common in tourism where the entire visitor package could include recreation, accommodation, museums, antique dealers, food and beverage, industry tours, etc.

RDI can be used for cluster development projects. This could include developing business incubators targeted at a sector, assisting with building demand for a cluster product, organizing support services (like venture capitalists, market research companies, R&D companies), helping to build management expertise in a cluster, etc. Strategies for cluster development include: joint marketing, joint training, sharing suppliers (i.e. buying groups), joint customer education, referrals, shared equipment, joint exporting activities, and co-operative merchandizing. Firms working co-operatively in clusters can gain synergies in the supply of resources and infrastructure, marketing, information, and the pooling of labour skills and distribution systems which serve to lower costs and improve the competitive advantage of the clustered firms.

You can employ any of the traditional economic development strategies in RDI projects. For example, business attraction, business retention and expansion, import replacement, export development, training, marketing, lending, coaching – all can be used in an RDI project – just make sure that they are directed at a sector/cluster or that they result in productivity enhancement for a number of businesses **and** that there will be a measurable economic impact. Include appropriate partners. Examples of projects that might be eligible for RDI funding include:

- Working with agri-food producers to develop new markets for their products. Develop a “buy local” initiative with local restaurants, hospitals and individual consumers. Get involved in a collaborative marketing campaign, develop a regional brand, build a producers’ co-op, do training with your local college, and host a “taste of your community” event.
- Working with tourism operators and your regional tourism association to increase tourism in the region. Get involved in joint training, do collaborative marketing, and identify other related businesses to participate in the tourism cluster (such as companies with specialized niches in antiques, country wine, food, or eco-tourism).
- Helping to build the tech-related sector in your region. Develop a business incubator, build a network of interested stakeholders, encourage the local college to provide specialized training, work with the Community Futures organization to ensure targeted loans are available, attract tech workers from the city, and attract tech-related businesses to your region.
- Developing a manufacturing cluster in your region. Work with small manufacturing firms to improve efficiencies, gain access to R&D dollars and information, and learn about lean manufacturing.
- Working with other CFs to provide innovative solutions for enhancing productivity of entrepreneurs. These solutions could relate to financing, business plan competitions, training, etc.

## Available Funding

The total amount available for project funding is \$3.48 million over 3 years from May 1, 2008 to March 31, 2011. Total cash costs for each project must be at least \$100,000. RDI will cover a maximum of 60% of eligible cash costs so all eligible projects must demonstrate that at least 40% of cash project funding is from other sources.

In addition, RDI projects will normally target 10% private sector cash contributions; however, there is flexibility to approve a project with less than 10%, provided the project can show very strong private sector engagement and support. Please see Attachment 2 for more information.

An example of the funding structure for an RDI submission is shown below:

Sources of Funds	Cash Amount	%
RDI Funds	\$60,000	60%
Contributions from the private sector	\$10,000	10%
Funds from not-for-profits	\$15,000	15%
Funds from local government	\$10,000	10%
Funds from the provincial or federal government (not including RDI)	\$5,000	5%
Total	\$100,000	100%

## Definitions

### What is a project?

**Project:** a project is made up of incremental activities, outcomes, and benefits with a clear start date and end date. A project may be a brand new initiative or it may be a value-added endeavor that is part of an existing initiative. A project is distinct and different from on-going operational activities. RDI is for rural diversification projects.

### What is a project partner?

**RDI Project Partner:** An organization or for-profit enterprise that provides in-kind or cash contributions to a project funded through RDI. There are 3 types of project partners: public sector, not-for-profit, and private sector.

**Public Sector Partner:** a department or level of federal, provincial, or municipal government that provides in-kind or cash contributions

**Not-for-Profit Partner:** includes non-profits, Community Futures organizations, Alberta Women Entrepreneurs, The Business Link, the Conseil de développement économique de l'Alberta, Alberta's Rural Development Fund, other economic development organizations, or educational institutions that provide in-kind or cash contributions to RDI projects. RDI projects should include the members of the Western Canada Business

Services Network where possible: other CFs, AWE, The Business Link and/or the Le Conseil.

**Private Sector Partner:** includes businesses, companies, Industry Associations, or Chambers of Commerce that provide in-kind or cash contributions.

How can we demonstrate support for a project?

**Project Support:** evidence of support for a project includes inclusion in a community or organizational strategic plan, letters of support, in-kind contributions, and/or cash contributions. Even if an organization is not willing to provide cash or in-kind contributions to a project, their letter of support is still important for RDI.

What is the difference between in-kind and cash contributions?

**In-Kind contribution:** is a non-cash input which can be given a cash value. In-kind contributions are donations, with no exchange of cash, which would otherwise have to be purchased and paid for by the project. Examples of in-kind contributions include:

- An organization that “loans” the project meeting space or office space
- An individual who volunteers his time to sit on an advisory committee for the project
- A staff person from an organization who utilizes his/her time to assist with the project
- A for-profit enterprise or organization that donates equipment or supplies to the project
- A for-profit enterprise that gives the project a price break on a good or service. The difference between the ordinary market price and the cost to the project is the in-kind contribution

**Cash contribution:** the provision of hard, cold cash to the project by an organization, individual, government or for-profit enterprise. Please note: for the purposes of RDI, the contribution of land or building to a project is considered to be the equivalent of a cash contribution. The value of the asset thus contributed must be supported by a current, independent verification or appraisal in terms of the net value for the project.

## RDI Project Eligibility

RDI Proposals are first assessed to ensure that they are eligible for project funding. The table below contrasts eligible projects with ineligible projects.

<b>Eligible projects</b>	<b>Ineligible projects</b>
<u>Rural Diversification:</u> All RDI projects must be targeted at rural economic diversification. This means they must contribute to cluster development, enhanced productivity, import replacement, new market development, and/or innovative access to capital.	Projects that are not targeted at rural economic diversification are ineligible
<u>Measurable Results:</u> RDI Projects must be of sufficient length and scope to show measurable economic impact: short term impacts (i.e. by March 2011) and potential long term impacts. * See below for more detail.	Project that don't show measurable economic impact.

<p><u>40% Matching Funds</u>: All RDI projects must show that at least 40% of cash funding for the project will come from sources other than RDI.</p>	<p>Projects with insufficient funding from other sources are ineligible.</p>
<p><u>Regional Benefits</u>: RDI projects must provide broad diversification benefits to a region.</p> <p>RDI projects should demonstrate regional benefits by involving partners from more than one community <u>or</u> by demonstrating that benefits will be shared with other communities or industries.</p> <p>Examples of ways to share benefits include obtaining letters from other communities (municipalities, organizations, or businesses) showing that they are interested in exploring or adopting the results of the project, developing a template or tool that could be used by others, sharing results with other CFs at the end of the project, or working with the RDI Project officers to develop a learning event around the results of the project.</p>	<p>Support will not be provided for an individual community initiative unless it can demonstrate that benefits will be shared regionally.</p>
<p><u>Not perceived as a grant to a business</u>: An individual for-profit enterprise may receive benefit from RDI as long as the benefits to the industry, community and region outweigh the benefits to the individual company. ** See below for more detail.</p>	<p>Projects that are perceived as a grant to a business are not eligible.</p>
<p><u>Strong Private Sector Support</u>: All RDI projects will show strong and tangible industry and business support. In-kind and/or cash contributions are necessary indicators of tangible industry and business support.</p> <p>The private sector should contribute 10% cash or make a very strong in-kind contribution. Letters of support from businesses, even if they are not making a cash or in-kind contribution, are important as well. ** See below for more detail</p>	<p>Projects with insufficient support from the private sector are ineligible.</p>
<p><u>Long-term viability</u>: RDI projects must demonstrate that either the initiative has a realistic chance of continuing after RDI funding ends <b>or</b> that the long term impact of the project will continue to provide benefits after the project ends.</p>	<p>Projects that do not effectively demonstrate long-term viability are not eligible for RDI funding</p>

<p>A successful RDI project will either be complete in itself or have a plan for the long-term through self-funding, private sector funding, or on-going operational funding from another source. The project should describe some kind of exit or transition strategy showing how the community or industry will maintain and sustain the project over the long term.</p>	
<p><u>Not Infrastructure:</u> RDI projects may include infrastructure costs but infrastructure must be incidental to the main objectives of the project. RDI is aimed at innovation and cluster development not transportation, roads, water and sewer, recreational buildings, community centres, or broadband access.</p> <p>CFs are encouraged to work with municipalities and other levels of government on infrastructure projects.</p>	<p>Projects aimed at infrastructure such as transportation, roads, water and sewer, recreational buildings, community centres, or broadband access.</p>
<p><u>Appropriate Partners:</u> All RDI projects will include appropriate partners. If the project falls under the interests or mandate of another organization, all attempts should be made to invite that organization to be a partner (either through a cash or in-kind contribution) in the project.</p> <p>Projects should foster increased partnership and collaboration between Community Futures, other economic development organizations (in particular the members of the Western Canada Business Services Network), and other project partners.</p> <p>Letters of support, in-kind contributions, and cash contributions are all important indicators of tangible support from partners.</p>	<p>Ineligible projects include those where:</p> <ul style="list-style-type: none"> <li>• Project proponents have not sincerely attempted to involve other interested government departments or organizations</li> <li>• Project activities fall under the funding and jurisdictional mandate of another level of government (e.g. municipal)</li> </ul>
<p><u>Board Support:</u> All RDI projects must be supported by the Board of Director's of the lead CF. Evidence for this support is as follows:</p> <ul style="list-style-type: none"> <li>• The RDI Funding application is signed by the Board chair <u>and</u></li> <li>• The RDI Funding Application includes a motion by the Board to support the project</li> </ul>	<p>Projects that the Board of Director's of the lead CF are unaware of and/or do not support are ineligible</p>
<p><u>Strong Work Plan and Project Management:</u> RDI projects must demonstrate good planning of activities, timelines, performance indicators, and project management. In addition, the project should clearly outline the role that the CF will play in the project.</p>	<p>Projects without a clear work plan are ineligible</p> <p>Projects without a clear role for the CF are ineligible.</p>

<p><u>Complete</u>: In order to be eligible, the project proposal must be complete, including an application, signature, work plan, and letters of support (described in more detail below)</p>	<p>Incomplete applications are ineligible</p>
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**\*Measurable Economic Impact**

The RDI Guidelines have been designed so that projects are required to show clear measurable economic impacts. These can include:

- Short term impacts (those that can be measured by March 2011):
  - number of new or expanded businesses,
  - number of new products and/or services developed,
  - number of jobs created,
  - number of new markets (geographic or target market) explored or developed,
  - percentage of businesses/organizations reporting that their productivity improved as a result of this project (higher profits, greater efficiency, improved ability to grow, increased number of customers, improved strategic position for the future, and/or better strategic alliances), and
  - degree to which project partners agree that this project helped diversify the local economy
  - degree to which project partners agree that this project helped increase knowledge about rural diversification,
  - improved industry collaboration,
  
- Long term impacts:
  - effective plans to ensure the project continues to provide benefit,
  - potential for long-term job creation,
  - potential for long-term wealth generation in the community,
  - potential for improved business/industry productivity in the future

Please note that because it is very difficult for planning-only projects to demonstrate these kind of short-term impacts, RDI is unlikely to provide funding for stand-alone planning projects. However, projects that include planning along with other activities like marketing, training, or business attraction are eligible for funding.

**\*\*Private Sector Contributions**

The rationale behind private sector involvement in rural diversification is simple: it can't happen without private sector involvement. Therefore, RDI projects require the private sector to be aware of, supportive of, and engaged in the project. A CF can show that the private sector is aware of and supportive of an RDI project by attaching letters of support from businesses, industry associations, and/or Chambers of Commerce. The private sector can demonstrate engagement by helping to plan projects, sitting on steering committees, donating equipment or supplies, etc. or making cash contributions.

What do we mean by a demonstration of strong and tangible private sector support?

- Tell us how you have made the private sector aware of the project. Talk about it at a Chamber meeting. Organize a meeting with industry players. Send information to your current and past clients.
- Gather letters from businesses showing that they think the project is a good idea and will have a positive economic impact
- Invite entrepreneurs and representatives from industry to participate in planning the project, sit on a steering committee, assist with marketing, provide coaching or training services, etc.
- Invite the private sector to make a cash contribution

When a business contributes cash to a project, it will reasonably expect some sort of benefit. However, RDI is designed to provide benefits to an industry or sector rather than to an individual business. Therefore, RDI project proposals are more likely to be approved under the following scenarios:

- Cash contributions come from associations or Chambers as opposed to individual businesses. This helps ensure that an industry or community shares in the benefits to the project.
- Cash contributions come from a number of businesses rather than one or two companies providing most of the cash. The case is even stronger if this is balanced by direct community participation in the project such as funding from a municipality. This also shows that the benefits will be widely shared.
- Cash contributions come from corporate “community relations” or “public relations” funds.
- The private sector enterprise in question is set up as a co-op rather than a corporation. In a co-op business, the enterprise is jointly owned by all members, all members are equal decision-makers, and all members share in the benefits based on how much they use the co-op’s services. Thus, a co-op structure helps ensure that any benefits from RDI funding are widely shared.

As noted above, normally RDI projects will demonstrate a cash contribution from the private sector of at least 10%. However, under some circumstances, it may not be possible to achieve this level of support from the private sector. When the CF can demonstrate that they have made every attempt to secure private sector funding but have been unsuccessful, in-kind contributions from the private sector may be included as evidence that the private sector is supportive and engaged in the project.

For more details about what we mean by in-kind costs from the private sector, please see Attachment 2.

## **RDI Project Assessment**

Once a project has been judged to be eligible for RDI funding, it will be assessed using the following criteria and ranked using a Ranking Tool:

- Rural Diversification Outcomes: proposals will be reviewed based on the degree to which the project
  - Diversifies the local economy
  - Creates short-term economic impact

- Has the potential to create long-term economic impact
- **Need and Support:** proposals will be reviewed based on the degree to which the project
  - is part of a larger strategy of the lead Community Futures organization.
  - will meet identified needs
  - includes letters of support from the private sector, community organizations, other economic development groups, government, or municipalities.
  - Shows strong, tangible business or industry support.
- **Partnership and Collaboration:** proposals will be reviewed based on the number of active project partners from the following groups:
  - In-kind or cash contributions from other economic development organizations: other Community Futures organizations, Alberta Women Entrepreneurs, Le Conseil Economique Development de l'Alberta, or The Business Link.
  - In-kind or cash contributions from community organizations, municipalities, government, and/or the private sector.
- **Planning:** proposals will be reviewed based on the degree to which
  - Project management, structure, project terms of reference, project charters, and partner roles and responsibilities are addressed
  - The project describes the rationale for the project and links activities to project goals
  - the CF is actively involved in the project
  - Activities and timelines are achievable
  - An evaluation plan is in place
  - Performance indicators are in place

Projects will be assessed using the Project Ranking Tool below. Those with higher scores and a better impact will be given higher priority. Projects will be assessed along 4 main areas – economic diversification outcomes, community and business need and support, partnership and collaboration, and planning – and can receive a maximum of 40 points. In general, proposals should receive a score of at least 28 points in order to be considered for funding.

Eligibility	Yes	No
Is this project eligible for RDI Funding?	yes	
Ranking	Max Score	Your Score
Economic Diversification Outcomes		
<b>Diversifies the local economy through</b> <ul style="list-style-type: none"> <li>• Productivity enhancement</li> <li>• Import replacement</li> <li>• New markets</li> <li>• Innovative access to capital</li> <li>• Industry or cluster development</li> </ul>	6	

Will this project help diversify the local economy? Rank along a continuum from 1- 6 where a score of 6 = strong diversification outcomes and a score of 1 = weak diversification outcomes.		
<b>Short-term economic impact</b> Three points for a project that results in a measurable impact on the local economy <u>by the completion of the project</u> (i.e. wealth generation in local economy, increased # of jobs, improved business/industry productivity, higher profits, greater efficiency, improved ability to grow, increased # of customers, improved strategic position for the future, better strategic alliances)	3	
<b>Long-term economic impact</b> Three points for a project that will, in the long term, result in a measurable impact on the economy (i.e. effective plans to ensure the project continues to provide benefit, potential for long-term job creation, potential for long-term wealth generation in the community, potential for improved business/industry productivity in the future)	3	
<b>Sub-Total</b>	<b>12</b>	
<b>Community and Business Need and Support</b>		
<b>Is part of larger community economic development strategy</b> Two points if the project is included in a larger community economic development strategy (municipal or other economic development organization).	2	
<b>Meets identified community strengths and opportunities</b> Two points if the project clearly sets out the rationale and opportunity	2	
<b>Public Support</b> .5 of a point for each letter of support ( <u>excluding those providing in-kind or cash contributions</u> ). This can include community organizations, other economic development groups, government, municipalities, or the private sector. To a maximum of 2 points.	2	
<b>Sub-Total</b>	<b>6</b>	
<b>Partnerships and Collaboration</b>		
<b>Participation from Target Partners:</b> Lead CF, other CFs, Alberta Women's Enterprise, The Business Link, or Le Conseil. Add 1 point for every target partner that provides \$. Add .5 point for every target partner that provides in-kind contributions. To a maximum of 2 points.	2	
<b>Participation from the Public Sector or Not for Profits:</b> This includes federal, provincial or municipal governments, REDAs, educational institutions, and not-for-profits. Add 1 point for each partner who provides \$. Add .5 points for each partner who provides in-kind contributions. To a maximum of 3 points.	3	
<b>Participation from the Private Sector:</b> This includes businesses, industry associations, and Chambers of Commerce. Add 1 point for each partner who provides \$. Add .5 points for each partner who provides in-kind contributions. To a maximum of 5 points.	5	

<b>Sub-Total</b>	<b>10</b>	
<b>Planning</b>		
<b>Project management</b> Two points for addressing project management effectively	<b>2</b>	
<b>Rationale</b> Two points for clearly linking rationale and project activities	<b>2</b>	
<b>CF Role</b> Two points if the CF is actively involved in the project	<b>2</b>	
<b>Activities and Timelines</b> Two points if activities and timelines are achievable	<b>2</b>	
<b>Evaluation</b> Two points if the evaluation plan is effective	<b>2</b>	
<b>Performance Indicators</b> Two points for effective performance indicators	<b>2</b>	
<b>Sub-Total</b>	<b>12</b>	
<b>Total</b>	<b>40</b>	

## Eligible Project Expenses

Community Futures organizations will be reimbursed for eligible project expenses. These include:

**Incremental wages associated with the project activities.** Wage costs are eligible for reimbursement as long as they are incremental and incurred by:

- a new employee hired to do the project;
- a contractor whose wages are not already paid by WD or any other organization
- or an existing part-time employee with the hours available to do the work

Full-time employees paid through WD funding or by any other organization cannot receive additional monies for doing RDI project work.

**Incremental consulting fees.** Consulting fees associated with the project are eligible expenses. In the event that a consultant is contracted to carry out project work, the consultant must be selected through a competitive process. The consultant selected must offer the best value that fully meets the requirements of the project. A competitive process means that

- all project partners have agreed to the process for selecting the consultant and to the contracting costs
- two or more quotes from qualified consultants have been reviewed
- if two qualified consultants cannot be found, then the recommended consultant should have unique expertise and all project partners should agree that the cost of this expertise is an effective use of project funds.

**Incremental benefits.** Employee benefits tied to the project are eligible expenses.

**Incremental meeting and administrative costs.** Meeting and associated incremental administrative costs (i.e. supplies, printing, phone) associated with the specific RDI project are eligible as long as they are supported by an invoice and receipt.

**Incremental travel costs.** Travel costs associated with the project are eligible as long as they are supported by an invoice and receipt.

**Other project costs.** Other project costs may be authorized on an exceptional basis. Such costs must be supported by an invoice and receipt.

**Ineligible project costs include:**

- Any costs that are already paid for by another organization including staff wages, office expenses, equipment, building rentals, etc.
- Administration fees charged by CFs or other organizations to administer an RDI project
- Funding to for-profit enterprises for: on-going operational costs; the development of proprietary products/services/technology that is owned by an individual for-profit enterprise (ownership by a not-for-profit industry group or co-op is OK); or the development of a new for-profit enterprise.

Ineligible project costs will not be reimbursed.

## Application Process

### RDI Project Officers

It is strongly recommended that you contact your RDI Project Officer to provide feedback on your idea, advice on structuring your project, and suggestions on developing an RDI proposal.

Roger Haessel [roger@cfna.ca](mailto:roger@cfna.ca) Phone: 403-851-9995

The RDI Project Officer can also discuss your project with the RDI team in order to provide you with feedback on your proposal. You may also be able to access special expertise in the area of rural diversification.

### Project Work Plan

The next step is to write a project work plan. It should include:

- Statement of Work – include a project title; location; the purpose of the project; goals and objectives; anticipated benefits; and stakeholders. This should be a summary of the project.
- Project Scope – This section describes the following:
  - the needs to be met, opportunity to be explored, or problems to be solved by the proposed project

- the rationale for the project, including any supporting research or needs assessment
  - partnering organizations and how this project fits within their strategic plans. Make sure you quote the part of your Community Futures's strategic operating plan that specifically mentions this project.
  - the link to Rural Diversification – describe how this project will assist with economic diversification
  - very specific project goals and objectives
  - start date and end date
  - sponsors and stakeholders, including funders. List all of the partners who are making either an in-kind or cash contribution to this project. Please include an Industry Association or not-for-profit industry group where possible. Please ensure that your REDA is aware of the project.
  - risks and constraints to the project. Identify the major risk factors or barriers to successful completion of the project and explain how these risk factors or barriers are to be mitigated
  - the requirement, if any, for an environmental assessment in this project
  - a plan for continuation beyond the grant period and/or the availability of other resources necessary to implement the project
- Project Plan – Identify the major tasks to be completed and break them down into activities and timelines. Describe who will be responsible for leading and completing each of the activities, along with the expected timeframe. You may use a Gantt chart for clarity.
  - Project Measurements – List each of your objectives, along with their associated activities, and develop measurable performance indicators for each objective. In essence, this section answers the questions “what will the project achieve?” and “how will you measure it?” You should ensure that the performance indicators include some hard economic measures that can be achieved during the life of the project. In addition to the specific performance indicators for your project, the RDI initiative will track the following “common RDI Indicators” for each RDI project:
    - # of project partners
    - Degree to which project partners agree that this project helped diversify the local economy
    - # of new products and/or services developed
    - # of new or expanded businesses
    - # of jobs created
    - # of new markets (geographic or target market) explored or developed
    - % of businesses/organizations reporting that their productivity improved as a result of this project (higher profits, greater efficiency, improved ability to grow, increased # of customers, improved strategic position for the future, and/or better strategic alliances)
    - benefits shared regionally
  - Project Management Team – describe the members of the project management team and their roles. This should include the structure (i.e. project steering committee), partner roles and responsibilities, and the process for resolving conflicts or disagreements. Clearly describe the CF's role.

- Project Communications – Describe the internal communications (such as steering committee meetings) required for the project as well as any external communications (such as press releases, project launches, etc.). Describe how you will communicate with the project partners throughout the project (type of communication and frequency of communication). Describe how you ensure that the federal government, as the funding organization of RDI, receives visibility in the project.
- Project Implementation – Describe how you will ensure that the project is implemented, monitored, and controlled effectively. How will you track activities, timelines, costs, revenue and results? If a group other than the Community Futures organization is responsible for the hands-on, day-to-day management of the project, describe how that group will report back to the Community Futures on activities, finances, and results. Describe the role the Community Futures organization will play in implementation. Many projects require adjustments throughout the implementation process - describe what evaluation factors you will review throughout the project and how you will address any needs for project adjustment.
- Project Completion and Evaluation - Projects must be evaluated prior to the end of the project funding period and results included in a final report. Present a plan for determining the degree to which objectives are met, activities are undertaken, performance indicators tracked, and lessons learned/best practices shared. If applicable, describe how you will celebrate the completion of the project.
- Project Budget – Estimate project costs and sources of revenue. Please describe those costs that will be met by RDI project funds and those that will be met by funding from other partners. If you are including private sector in-kind contributions, please include your in-kind calculations. See Attachment 2 for more information. Document why you think the Rural Diversification Initiative is an appropriate source of funds for this project and describe how you have explored other sources of funding.
- Letters of Support - letters from all project partners (including in-kind and cash contributors) are required. You may also include letters from other stakeholders. It is imperative that the letters summarize what the organization is supporting and detail the amount and kind of contribution being made.

Please contact your RDI Project Officer for examples of work plans.

## **Application Form**

The next step is to complete the application form that is included in this package. Please note that the application must be signed by the Chair of the Board of Directors.

Before sending the application package to the Community Futures Network of Alberta, please ensure you have:

- Completed and signed the application form
- Answered all questions
- Included letters of support from all partners
- Included a work plan for the project

## **Submission of the Application Package**

Once everything is complete, send the entire package to the Community Futures Network of Alberta. Application packages should include the signed application form, work plan, and letters of support. The package may be faxed or emailed to:

Community Futures Network of Alberta  
Rural Diversification Initiative  
Box 184  
Cochrane, Alberta T4C 1A5  
Fax: 403-851-9905  
toby@cfna.ca

E-mail is preferred. If you have any questions about RDI project funds or the application process, contact either Toby Williams or Jon Close at the CFNA office.

## **Eligibility and Assessment**

Proposals will be reviewed to ensure they meet RDI eligibility criteria. If a project is judged to be ineligible by RDI staff, it will not proceed to the adjudication committee. Instead, it will be returned to the lead CF with suggestions for improvement.

Once a project has been judged to be eligible for RDI funding, it will proceed to an assessment stage and will be ranked using the Ranking Tool and submitted to the adjudication committee.

## **Selection Process**

Project applications will be adjudicated on a quarterly basis in March, June, September, and December by the "RDI Adjudication Committee" made up of board members from Community Futures Network of Alberta and one representative from Western Diversification. The adjudication committee will use the attached Project Ranking Tool in the selection process. Complete project applications must be received at the CFNA office by the following dates:

- March 15,
- June 15,
- September 15,
- December 1. The intake date is earlier in December because of the Christmas break.

There will be no exceptions to these deadlines. Incomplete proposals will be deferred until the next intake.

## **Notice of Decision**

Lead CFs will receive written notice of the Committee's decision within 2 weeks of the adjudication dates.

## **Funding Agreement**

Lead CFs for those projects that are approved must be prepared to enter into a funding agreement with CFNA. This agreement will include the ability to provide advances of up to 90% of the project value, requirements for progress reports based on the project proposal, and approval for Western Economic Diversification and/or the Community Futures Network of Alberta to use the project for communication purposes to demonstrate collaboration and/or best practices if appropriate.

## **Communications**

Approved project proposals, final reports, and best practices may be published on the password protected “members” section of the CFNA website. Therefore successful CFs will be asked to provide electronic copies of proposals, applications, and final reports.

Lead CF organizations must ensure that projects funded by RDI provide recognition to Western Economic Diversification. WD must be given the opportunity to organize federal representatives to participate in announcements around approved RDI projects such as a launch, milestone achievement, or wrap-up celebration.

## **Financial Responsibility, Progress Reports, and Evaluation**

CFs with projects funded through RDI are responsible for administering funds and ensuring that the project proceeds effectively. CFs are responsible for tracking all eligible expenses and the matching revenues from project partners associated with the RDI project.

- CFs receiving RDI project funds must ensure that standards of recognition, measurement, presentation and disclosure, as set out in the Funding Agreement with CFNA, are followed.
- For purposes of each RDI project, the Community Futures organization is required to establish within their internal accounting system, a process designed to effectively manage, recognize, present and disclose RDI project revenues and expenses. For example, for those CF organizations using “Simply” accounting, they will be required to establish, maintain, and track each RDI project. This will create ease of reporting on the project internally, at year-end audit, and for purposes of any internal audits conducted by Western Economic Diversification.
- All Community Futures organizations involved in an RDI project must use TEA for project reporting. Please contact your RDI Project Officer for information on “RDI meets TEA”.
- In the event that the Community Futures organization has delegated responsibility to another organization for the management of the day-to-day activities of the project, the CF must have a clear project charter in place with the organization. The project charter must specify responsibilities, decision-making processes, timelines,

deliverables, revenues, and expenses associated with the disbursement of funds. **In our experience this is a crucial part of ensuring project success.**

- Community Futures organizations must complete progress reports as the project unfolds as well as a final evaluation report at the end of the project. The final funding hold-back (typically 10% of project funding) will be released when the final report has been received and approved by the Community Futures Network of Alberta. Progress Report and Final Report Guidelines are attached.

# Attachment 1 - RDI Project Application Form

April 2009

Contact Information for Lead CF		For Office Use Only			
Contact Name and Position:		Project #			
CF Name:		Date Received			
Phone:					
Address including postal code:					
Fax:					
Telephone:					
Part 1 - General Information					
Project Name					
Have you read the RDI Project Guidelines?				Yes <input type="checkbox"/> No <input type="checkbox"/>	
Does this project meet the eligibility requirements listed in the RDI Guidelines?				Yes <input type="checkbox"/> No <input type="checkbox"/>	
Project start date (YY/MM/DD)					
Project end date (YY/MM/DD)					
Will this specific project continue beyond March 31, 2011?				Yes <input type="checkbox"/> No <input type="checkbox"/>	
Is the REDA in your area aware of this project?				Yes <input type="checkbox"/> No <input type="checkbox"/>	
Part 2 – Funding Partners					
Please indicate the funding partners for this project including the amount of cash they are contributing, the percentage of cash they are contributing, in-kind contributions, and whether they have committed in writing to the contributions.					
Source of Funding	Name of organizations	Committed (Y/N)	Cash (\$)	% of total cash	In-Kind (\$)
RDI Project Funding	WD				\$0
CF(s)					
Other WCBSN member(s)					
Federal					
Provincial					
Municipal					
Private sector					
Other (not-for-profit, educational institution)					
<b>Total</b>	N/A	N/A	\$	%	\$

**Part 3 - Project Proposal**

Please attach your **Project Work Plan**. As set out in the RDI Guidelines, it should include:

Statement of Work	<input type="checkbox"/>	Project Communications	<input type="checkbox"/>
Project Scope	<input type="checkbox"/>	Project Implementation	<input type="checkbox"/>
Project Plan	<input type="checkbox"/>	Project Evaluation	<input type="checkbox"/>
Project Measurements	<input type="checkbox"/>	Project Budget	<input type="checkbox"/>
Project Management Team	<input type="checkbox"/>	Letters of Support	<input type="checkbox"/>

**Part 4 - Letters of Support**

1. Please attach a letter from **each** Project Partner **including yourselves and any other CFs** (making an in-kind or cash contribution) that:
  - Supports the application;
  - States the amount and type of contribution being made;
  - Designates the lead CF to submit the application and conduct all communication with CFNA and/or Western Economic Diversification on behalf of the project partnership;
  - Indicates agreement that the lead CF will enter into a contract with CFNA regarding receiving, allocating and accounting for funds on behalf of the project partnership.
2. Please attach any other support letters from municipalities, governments, private sector, or not-for-profits that support this project, even if the organization is not making a contribution per se.

**Part 5 – Certification**

We have formally included this project in our Community Futures strategic operational plan

We are prepared to enter into an Agreement with the Community Futures Network of Alberta if this application is approved.

\_\_\_\_\_  
Signature of Board Chair of Lead CF

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## Attachment 2 - Calculation of In-Kind Contributions from the Private Sector

Successful RDI applications require that the private sector is aware of, supportive of, and engaged in the project. Normally RDI projects will demonstrate a cash contribution from the private sector of at least 10%. However, under some circumstances, it may not be possible to achieve this level of support from the private sector. Your project proposal may still be eligible for RDI funding as long as you can demonstrate strong private sector support and engagement through in-kind contributions.

**In-Kind contribution:** is a non-cash input which can be given a cash value. In-kind contributions are donations, with no exchange of cash, which would otherwise have to be purchased and paid for by the project. Examples of in-kind contributions include:

- An organization that “loans” the project meeting space or office space
- An individual who volunteers his time to sit on an advisory committee for the project
- A staff person from an organization who utilizes his/her time to assist with the project
- A for-profit enterprise or organization that donates equipment or supplies to the project
- A for-profit enterprise that gives the project a price break on a good or service. The difference between the ordinary market price and the cost to the project is the in-kind contribution

### How do you know if the in-kind contribution from the private sector is “strong” enough to meet RDI criteria?

If you can’t get any cash from the private sector, an in-kind contribution from the private sector worth 50% of the project cash costs is a very strong indication of private sector engagement and support.

A combination of 5% cash and 25% in-kind contributions from the private sector is also a very strong indication of private sector engagement and support.

A combination of private sector in-kind contributions worth 25% of the project cash costs and 10 letters of support from businesses is also a very strong indication of private sector engagement and support

In-kind contributions must be:

- Essential to the successful outcomes of the project
- Measurable and
- Priced realistically

In kind contributions should be valued at actual costs where possible. Otherwise an estimated fair market value of the goods or services can be used. In the case where a person’s time is contributed to a project, the rate used can include salary plus benefits. Numbers included on this sample chart are for illustrative purposes only.

<u>Organization</u>	<u>Contribution</u>	<u>Quantity</u>	<u>Value</u>	<u>Private Sector In-Kind</u>
Mega-Corp	Executive participation on technical advisory	12 meetings @ 3 hours each	\$100/hour	\$3,600

	Committee			
Tom's Bait & Tackle Shop	Manager participation on Steering Committee	12 meetings @ 3 hours each	\$50/hour	\$1,800
Printmeisters	Discount on printing marketing brochures	16,000 brochures	\$0.60 discount per brochure	\$9,600
CRDI Radio	Radio advertising	50 thirty second radio spots	\$200/spot	\$10,000
<b>TOTAL</b>				<b>\$25,000</b>
<b>PERCENT OF TOTAL CASH COSTS on a \$100,000 project</b>				<b>25%</b>

## Attachment 3 - RDI Progress Report Guidelines

April 2009

A quarterly Project Progress Report, as required by the Funding Agreement with the Community Futures Network of Alberta, should include sufficient information to inform the CFNA of the progress of the project in relation to the approved project plan. Progress reports are typically due January 20, April 20, July 20, and October 20 and should cover all activity for the quarter ending the prior month.

Reports should be about 3 pages long and should be emailed to [roger@cfna.ca](mailto:roger@cfna.ca), faxed to the CFNA office at 403-851-9905, or mailed to CFNA Box 184, Cochrane, AB, T4C 1A5 Attention: Roger Haessel. The following is a guideline of the information that will be useful for developing your Progress Report. You must use "The Exceptional Assistant" (TEA) for reporting.

### 1. Project Number and Report Period

You can find your RDI project number at the top of the Funding Agreement. Indicate the period which the report covers, from either the project start or the date of the last progress report.

### 2. Background and Context

Please summarize the problem/opportunity statement and need for the project

### 3. Financial Information

Report your actual revenue and expenses to date. If expenses and/or income are different than what you initially proposed for RDI funding, please list the variance and explain why it has happened and what you intend to do about it.

Report your updated sources of revenue from each project partner listed in your proposal. **Please provide copies of invoices for all project revenue from all sources.**

Report the in-kind contributions made by project partners.

If your CF is being reimbursed for incremental wages, meeting, or associated incremental administrative costs, you must provide a listing of such costs. For incremental wages, please provide a list of the hours worked by month, the cost per hour, and the name of the person doing the work. For incremental meeting or associated administrative costs, please provide a list of expense categories, dates, and costs.

This financial information does not need to be audited by an accounting firm. You do not need to attach copies of invoices to this report, but you must be able to produce copies if required by CFNA at a later date.

Please note that you are required to use project accounting so that revenue and expenses for each RDI project is accounted for as a project. For example, if you are using "Simply" accounting, you will need to establish and maintain each RDI project as a project within "Simply" to track project income and expense numbers within your Chart of

Accounts. This will create ease of reporting on the project internally, at year-end audit, and for the purposes of any internal audits conducted by WD.

#### 4. Project Activities during Report Period

Present a summary of the activities performed and results achieved during the current report period towards the accomplishment of the project objectives. Please refer to the list of proposed Project Activities and Timelines in Attachment A of your Agreement with CFNA.

Describe any major problems that you have encountered that may jeopardize or delay the project success, and your intended action plan to overcome such problems.

Describe any un-planned activities that contributed to the success of the project.

#### 5. Changes to Project Activities

If your project activities or timelines have changed since you submitted your proposal to RDI, please list the new activities along with a new timeline for completion. If there are significant changes, CFNA may need to revise your Agreement.

#### 6. Benefits Resulting from Project

List any measurable benefits that the project has accomplished to date. Please refer to the Performance Indicators listed in Attachment A of your Agreement with CFNA.

There may be additional benefits that you want to mention such as additional project partners participating in the project, additional volunteers, additional in-kind contributions, or best practices.

If you would like to attach copies of brochures, studies, or reports that resulted from this project, please do so. You may also provide links to electronic copies if they are posted on web sites.

#### 7. Media Coverage

Please describe any media coverage your project has received during the reporting period. Attach any media stories you would like to share. Please refer to the Attachment B in your RDI Funding Agreement and to the CF Branding protocols and Federal Visibility Guidelines at <http://www.pwcf-brand.ca/>.

#### 8. Signature on Report

The report should be signed and dated by an authorized officer of your CF, indicating the full name and title of the signing officer.

#### 9. Invoice

If your Funding Agreement allows for a periodic disbursement of funds throughout the life of your project, please attach an Invoice as your CF's request for disbursement of the next incremental amount. Please note: the final hold-back of project funding will not be disbursed until CFNA receives your final report.

# Attachment 4 - RDI Final Report Guidelines

April 2009

A Project Final Report, as required by the Agreement with the Community Futures Network of Alberta (CFNA), should include sufficient information to inform the CFNA and WD of the results of the project in relation to the approved project plan. Final Project Reports are due no later than two (2) months after the project completion date.

Reports should be emailed to [roger@cfna.ca](mailto:roger@cfna.ca), faxed to the CFNA office at 403-851-9905, or mailed to CFNA Box 184, Cochrane, AB, T4C 1A5 Attention: Roger Haessel.

The following is a guideline of the information that will be useful for developing your Final Report.

## 1. Project Number and Project Start and End Dates

You can find your RDI project number at the top of the Funding Agreement. Indicate the start date of the project as indicated on the Agreement and the end date.

## 2. Background and Context

Please summarize the problem/opportunity statement and need for the project

## 3. Financial Information

Report the total project cost at completion which should consist of the actual costs incurred for each Project Activity listed in Attachment A of your Agreement with CFNA.

Report your sources of revenue from each project funding partner. **Please provide copies of invoices for all project revenue from all sources.**

Report the in-kind contributions made by project partners.

If your CF is being reimbursed for incremental wages, meeting, or associated incremental administrative costs, you must provide a listing of such costs. For incremental wages, please provide a list of the hours worked by month, the cost per hour, and the name of the person doing the work. For incremental meeting or associated administrative costs, please provide a list of expense categories, dates, and costs.

If there are discrepancies between planned and actual costs please explain why these occurred.

This financial information does not need to be audited by an accounting firm. You do not need to attach copies of invoices to this report, but you must be able to produce copies if required by CFNA at a later date. You are required to use project accounting so that revenue and expenses for each RDI project is accounted for as a project, separate from your regular operating funds. For example, if you are using "Simply" accounting, you will need to establish and maintain a separate set of RDI project income and expense numbers within your Chart of Accounts. This will create ease of reporting on the project internally, at year-end audit, and for the purposes of any internal audits conducted by WD.

Note: In the event that project costs are reduced, CFNA shall not reimburse any amount over the actual project costs. If you have received an advance payment from CFNA in an amount greater than the project costs, you must repay that amount to CFNA.

#### 4. Project Activities

Present a summary of the activities performed and results achieved. Please refer to the list of proposed Project Activities and Timelines in "Attachment A" of your Agreement with CFNA.

Describe any un-planned activities that contributed to the success of the project.

If the project did not undertake the activities described Attachment A, please explain why they were not undertaken.

#### 5. Benefits Resulting from Project

List any measurable benefits that the project has accomplished to date. Please see the Performance Indicators listed in Attachment A of your Agreement with CFNA. Let us know what made your project successful.

There may be additional benefits that you want to mention, outside of those listed in the Performance Indicators. They may be quantitative (measurable) or qualitative (anecdotal or informal) results influencing the social, environmental or economic situation in the community.

Please include additional project partners participating in the project, additional volunteers, or additional in-kind contributions.

If you would like to attach copies of brochures, studies, or reports please do so. You may also provide links to electronic copies if they are posted on web sites.

#### 7. Media Coverage

Please describe any media coverage your project has received. Attach any media stories you would like to share. Please refer to the Attachment B in your RDI Funding Agreement and to the CF Branding protocols and Federal Visibility Guidelines at <http://www.pwcf-brand.ca/>.

#### 8. Reflections and Lessons Learned

Please describe any lessons that you learned from this project that might be transferable to other organizations doing rural diversification. This could include: innovative solutions to an opportunity or problem, things that you would do again, or things that you would not do again.

If you compiled a best practices manual as part of your project, please provide a copy or a web site link.

#### 9. Signature on Report

The report should be signed and dated by an authorized officer of your CF, indicating the full name and title of the signing officer.

#### 10. Invoice

Please attach an Invoice that will accompany the Final Report as your CF's request for disbursement of the project hold-back.