

## Sector Council Funding Guidelines

Industry stakeholders – workers and employers - understand the health and safety hazards in their workplaces. By working together, they share accountability, expertise and can improve health and safety in their industries.

These guidelines specify how to apply for and use funding to create and operate a sector council. All applications must meet the criteria outlined in these guidelines.

Contact us at 709.778.1265 if you have questions, or you can speak to sector advisors at the Newfoundland and Labrador Federation of Labour, 709.754.1660, or the Newfoundland and Labrador Employers' Council, 709.368.6532 Ext 223.

### How to Apply

#### Application Deadline

WorkplaceNL will accept applications from January 1 to March 31 each year. Applicants are encouraged to apply early to allow time to address questions.

#### Funding Request

Your request for new or ongoing funding must include:

1. An outline of governance and organizational structure
2. The type of funding requested
3. A business plan, with budget, for up to five years
4. A plan for financial sustainability (for operating grants)
5. The level of industry support (i.e., letters of support)

WorkplaceNL reserves the right to request additional information during the assessment process in order to fully evaluate the request.

#### Governance and Structure

A safety sector council's mandate is to prevent and reduce the impact of work-related injury and illness in an industry or high-risk sector. It offers targeted programs and educational activities to improve occupational health and safety (OHS) and return-to-work (RTW) practices in workplaces.

Safety sector councils are expected to establish a governing body to oversee the strategic direction and operations of the organization. In the spirit of sharing accountability and industry expertise, its members must represent both employers and labour:

- Include employer representatives who work in the respective industry.
- Include worker representatives who work in the industry, or who represent workers within the industry through organized labour.

The governing body must include representatives from WorkplaceNL, as well as sector advisors from the Newfoundland and Labrador Federation of Labour and the Newfoundland and Labrador Employers' Council.

A sector council will be required to incorporate and maintain not-for-profit status with the Canadian Revenue Agency. Directors named in the initial application for non-profit status are responsible for preparing an initial set of bylaws and assembling members of the governing body to elect a representative board of directors. An existing host organization may also apply for funding, and serve as a governing body, to oversee collaborative work in a sector to prevent and reduce the impact of work-related injury and illness in an industry.

## Funding Types

The request must identify one of the following funding types:

### 1. Operating Grant

- An operating grant uses funds from WorkplaceNL's Injury Fund.
- Funding may be approved up to \$350,000 per year, for five (5) years. A new request is required for funding beyond five years.
- The business plan must demonstrate a path to financial sustainability.

### 2. Industry Levy

An industry levy is an extra cost applied to the assessment rate of employers within the respective industry to fund the operations of the sector council. WorkplaceNL collects the levy and remits it to the sector council.

To apply, applicants must demonstrate that at least 50 per cent of the employers in the industry support a levy. Industry support can be sought by any quantitative or qualitative means reasonably acceptable to WorkplaceNL (e.g., industry surveys, stakeholder interviews, focus groups, letters of support, etc.). A levy stays in force for as long as industry support is maintained at 50 per cent or greater.

A sector council must demonstrate that the size of the levy is applicable to execute their business plan and deliverables.

WorkplaceNL reserves the right to establish an appropriate levy that minimizes the impact on employers within the industry, balanced against the financial needs of the sector council.

## Business Plan and Budget

The business plan and budget must link planned activities with the sector council's mandate and objectives. Our main evaluation factors are the clarity of the business plan, projected costs and a path to self-sufficiency.

## Business Plan

The business plan must include sufficient information to determine:

- a. The members of the industry it will represent, and the applicable Industry Groups, as defined by WorkplaceNL.
- b. How the sector council will promote all aspects of OHS and RTW practices in the industries in which employers and workers are engaged.
- c. That the sector council represents the interests of the employers and workers in the industry in Newfoundland and Labrador, covered by the Workplace Health, Safety and Compensation Act, 2022.
- d. That employer and worker representatives in the relevant industry support the sector council, and include letters of endorsement from key employer and worker organizations, as applicable, representing the membership. If the full extent of support is not known initially, the business plan is to include clear actions to achieve that support at least once every five (5) years.
- e. An outline of the balanced governance model (see section on Governance and Structure).
- f. Clearly developed vision, mission and purpose.
- g. Well-supported and credible goals, objectives, plans, budgets and revenue to achieve the vision, mission and purpose.
- h. Defined key performance measures to demonstrate that objectives were achieved over the life of the business plan. WorkplaceNL has a responsibility to ensure that funds disbursed to sector councils are achieving the intended results as defined in WorkplaceNL's mandate. Requests for funding or remittance may be withheld if performance targets are not met satisfactorily.
- i. Sufficient evidence to demonstrate that the sector council will achieve financial sustainability in the long term. Financial sustainability is the capacity to generate revenue to cover all expenses without further funding from WorkplaceNL.
- j. That the sector council will access and share resources with other sector councils and safety associations in order to avoid inefficient spending practices and promote collaboration. The sector council will make established resources and training programs available to other sector councils to adapt for their industry, where applicable.

## Budget

Applicants must demonstrate that the operating grant or levy will provide adequate financial support to achieve the objectives of the proposal.

Include additional resources to be provided by other partners as ‘in-kind’ contributions in the budget (i.e., accommodation within existing office space, incidental use of administrative resources/items). WorkplaceNL will not reimburse for these expenses.

Include revenues from training programs, services, publications, special services or other funding sources. Describe and justify each budget item essential to the operation of sector council.

## Eligible Expenses

Eligible direct and incremental costs of the sector council include:

Expense Category	Description
Salaries and Benefits	<p>Include:</p> <ul style="list-style-type: none"> <li>The number of positions, and titles</li> <li>Hourly or annual wage for each position</li> <li>Benefits and applicable rates (CPP, EI, RRSP contributions, health premiums, etc.)</li> <li>The percentage or number of hours staff will devote to the project</li> </ul>
Consultants	<p>Some sector councils may require the use of short-term consultants to develop OHS or RTW programs, curriculum development, training programs, etc. In all cases, the applicant must indicate for each consultant:</p> <ul style="list-style-type: none"> <li>Their job title and work tasks</li> <li>The cost related to the project (hourly rate, number of hours)</li> </ul>
Travel	<p>Include:</p> <ul style="list-style-type: none"> <li>Who will travel (e.g., staff, participants, consultants)</li> <li>Related travel expenses per person (including the means of transport)</li> <li>Places of departure and arrival, if possible</li> <li>Frequency of trips</li> </ul> <p>Travel costs are to be reimbursed at rates no greater than those permitted by the Provincial Government for the public service, which are available on their website.</p>
Materials and Supplies	<p>Include:</p> <ul style="list-style-type: none"> <li>Item(s) to be purchased</li> <li>Reason for the purchase of materials or supplies</li> </ul>
Facilities	<p>Include:</p> <ul style="list-style-type: none"> <li>Rental costs and all related expenses</li> </ul>

Expense Category	Description
Office Space and Equipment	Include: <ul style="list-style-type: none"> <li>• The square footage, rate or percentage of office space to be used by the sector council</li> <li>• Whether the equipment is to be purchased or leased, quantity and unit price</li> </ul>
Other Program-Related Expenditures	Include: <ul style="list-style-type: none"> <li>• Type of expense</li> <li>• Number of units, unit price and total cost</li> </ul>
Management/Administrative Support	Include: <ul style="list-style-type: none"> <li>• For salaries and benefits or professional fees, state the annual salary and percentage of time or total hours general management and/or support staff will devote to the sector council.</li> </ul>
Capital Expenditures and Amortization	Include a cost-benefit analysis for all capital expenditures and assets, and indicate: <ul style="list-style-type: none"> <li>• Item purchased/leased</li> <li>• Quantity</li> <li>• Unit price</li> </ul> <p>Clearly document all capital expenditures in the funding proposal. WorkplaceNL must approve such expenditures in advance of purchase.</p> <p>Sector councils must develop a policy for capital purchases greater than \$10,000, and demonstrate business need and value.</p>

Rates for salaries, benefits, consulting fees, rental charges and other costs will be assessed according to regional standards and other related norms.

Administrative expenses and overhead must not be more than 25 per cent of expenses. This can include, but is not limited to, salaries and benefits of administration and managerial supervision; office supplies, professional fees (e.g. accounting); office equipment (e.g., photocopiers and computer equipment); postage or courier services; telephones/fax/internet; lease of office space and utilities.

### After Funding Is Approved

After funding is approved, safety sector councils are expected to deliver on their strategic objectives and be accountable to use the funds appropriately.

### Contract

Sector councils, or organizations receiving funding, will enter into a contract with WorkplaceNL that will detail the rights and obligations of the respective parties, including the right of WorkplaceNL to audit the sector council's use of funds, and provisions regarding requirements for information security, privacy and confidentiality.

## Use of Funds

Safety sector councils must exercise due regard for the efficient and prudent use of funds. Goods and services are to be obtained using a fair and competitive process. Sector councils will also be required to submit their policies governing any potential conflicts of interest to WorkplaceNL, when developed or modified. Such policies must be developed within the first year of operation.

If approved funds are not fully used in an operating year, WorkplaceNL will consider requests from sector councils to increase funds in future years as long as the budget requests meet the goals and objectives of the sector council. In all cases, WorkplaceNL will only approve the disbursement of unused funds up to the original amount approved for the sector council.

## Financial Records

Sector councils must maintain appropriate financial records, including:

- a. Books and records of accounts for the duration of the contract.
- b. Annual audited financial statements, prepared in accordance with Generally Accepted Accounting Principles (GAAP). All funds provided by WorkplaceNL must be segregated in the financial statements.
- c. A policy with respect to the creation of an Operating Reserve Fund, if required. A sector council may hold four (4) months of operating expenditures in an Operating Reserve Fund with the intended purpose to wind-down operations, if required. The funds can be held in short-term Guaranteed Investment Certificates (GICs) and must always be available to support the cash position of the organization.

WorkplaceNL reserves the right to conduct a financial, operational, compliance or value for money audit of the sector council's use of funds. The audit may be performed by either WorkplaceNL staff or an independent auditor contracted by WorkplaceNL.

The sector council will be expected to obtain insurance coverage that shows Comprehensive General Liability Insurance of at least \$5,000,000 per occurrence and director liability insurance coverage. A copy of the insurance certificate must be provided to WorkplaceNL.

The sector council will also be required to register with WorkplaceNL for applicable workers compensation coverage.

## Industry Support

The sector council must obtain feedback from its members at least once every five (5) years to evaluate member satisfaction on the value and delivery of the sector council's strategies and programs. Feedback can be sought by any quantitative or qualitative means, reasonably acceptable to WorkplaceNL (e.g., surveys, interviews, focus groups, letters of support). The sector council must share the feedback and results with WorkplaceNL. Efforts to measure and illustrate impact should be developed and submitted within business plans. If the sector council is unable to reasonably fulfill this requirement, WorkplaceNL may obtain feedback directly from the sector council's members.

## Reporting to WorkplaceNL

### Biannual Progress Reports

Sector councils must submit biannual reports detailing progress on the execution of the business plan, accomplishment of the stated objectives and funds spent. In addition, biannual reports must also explain:

- a. Variances in the annual operational plan,
- b. Variances in spending against the annual budget greater than ten (10) per cent and over \$5,000,
- c. Plans for how surplus funds will be budgeted and used in the following year,
- d. Details of capital expenditures greater than \$10,000, including a cost benefit analysis, and governing body-approved minutes at which the purchase was approved, and
- e. Cash balances available, including investments held in reserve.

All progress and financial reports are due 30 days following the end of June and December.

### Annual Work Plans and Budgets

Sector councils must submit an updated work plan and budget each year that includes:

- a. Goals and objectives for the upcoming year,
- b. Key performance indicators for each goal and objective,
- c. Overview of programs, services, projects, and initiatives to be delivered,
- d. An operating budget that links to the goals and objectives, and
- e. Expected outcomes from the work completed.

Annual work plans and budgets must be submitted to WorkplaceNL before the start of a new fiscal year.

### Annual Audited Financial Statements

Annual audited financial statements are due no later than six (6) months after the end of the fiscal year and must also be publicly available via the sector council's website.

WorkplaceNL may request a special report of program or financial performance at any time during the funding period.

## Funding Disbursements

WorkplaceNL reserves the right to withhold funds when the sector council has failed to comply with these guidelines and their contractual obligations. Failure to comply can also result in the termination of the contract with WorkplaceNL, and the cancellation of any future funding to the sector council.

WorkplaceNL will only disburse payments to a sector council based on an approved business plan, annual work plan and the receipt of progress and financial reports. Disbursements can be withheld where the cash and operating reserve balance is greater than four (4) months of operating expenses.

Where a sector council decides to close operations, the sector council must pay any outstanding debts to settle its affairs. Any funds remaining after the settlement must be remitted back to WorkplaceNL.

Sector councils are not permitted to secure debt from financial institutions to cover operations or capital expenditures. A balanced budget is expected from all sector councils.

Industry associations and funded groups are expected to submit to WorkplaceNL (or make available via websites) on an annual basis, financial statements that meet the following criteria:

- a) Audited financial statements are required if the funding is greater than \$500,000 per association or funded group. This is a cumulative amount for all projects.
- b) Unaudited financial statements prepared by an independent qualified accountant are sufficient for funding that is less than \$500,000 per association or funded group.

WorkplaceNL should receive financial statements no later than three months after the end of the fiscal year of the association or funded group.