



Program Guidelines

PANDEMIC RELIEF EXTENSION PROGRAM (PREP)

April 1, 2021 to March 31, 2022

Contents

Purpose.....	1
Eligibility.....	2
How to apply	3
Eligible costs.....	4
Ineligible costs.....	5
Funding allocation.....	5
Reporting requirements.....	6
Appeal.....	7
Contact.....	8

Purpose

The Pandemic Relief Extension Program (PREP) provides support to licensed tourism operators impacted by the economic disruptions associated with COVID-19 through short-term relief for ongoing operational costs. Administered by the Department of Industry, Tourism and Investment (ITI) with assistance from the NWT Business Development and Investment Corporation (BDIC), the PREP has been designed to be complementary to other federal/territorial/municipal initiatives and will help ensure that tourism operators in the NWT remain operational through to March 31, 2022.

The objective of the PREP is to provide short-term relief to those licensed tourism operators that have been impacted and are the most vulnerable to permanent closure as a result of the economic disruptions associated with COVID-19.

Only those licensed tourism operators that have experienced an operating deficit on a monthly basis will be considered for funding.

The PREP has been designed to provide support to tourism operators with a demonstrated need for financial support for eligible NWT fixed costs. Applicants will be required to provide reporting that demonstrates that the amount of support being requested from this and any other federal, territorial, municipal or other COVID-19 relief program (e.g. Indigenous Tourism Association of Canada) will not allow the applicant to generate a profit from participation in this program.

Eligibility

Eligible applicants include: all licensed tourism operators including sole-proprietors, partnerships, and incorporated companies who meet all of the following criteria:

- have a valid tourism operator license (TOL);
- have been in operation prior to April 1, 2020, at a minimum;
- must not have filed for bankruptcy;
- the business is operating, and will continue to operate, at a loss over the period of the program (e.g. to incur ongoing expenses that are higher than incoming revenues) as a direct result of travel restrictions; and,
- licensed tourism services are the primary source of income for the household

In addition to the above, to be eligible for the PREP, tourism operators must meet two (2) of the following conditions:

- have a physical address in the Northwest Territories;
- be registered as per the *Business Corporations Act*, where applicable; and/or
- be subject to the *Northwest Territories Income Tax Act*.

Ineligible applicants include:

- territorial, municipal or other governments, agencies of government and crown corporations;
- not-for-profit organizations, societies, co-operatives, unincorporated associations; and,
- tourism operators that have defaulted on a GNWT repayment plan or BDIC loan that is owing at the time of applying to the PREP.

How to apply

Eligible tourism operators will be required to complete, sign and submit an Application Form and provide supporting documentation.

Applicants will need to ensure that they provide all required supporting documentation as indicated in the table below. Applications cannot be processed until deemed complete and all required documentation has been provided.

DOCUMENTATION REQUIRED WITH THE APPLICATION

1. Completed application form including:
 - business number
 - forecasted operating costs and revenues (separate Excel sheet)
 - declaration of accuracy of information provided (check box on the application form)
 - signature of the applicant
2. Detailed General Ledger OR other documentation that can substantiate fixed costs being claimed (e.g. copies of March 2021 monthly invoices)
3. 2019 Income Statement and 2019 General Ledger Summary, if applicable
4. 2020 Income Statement and 2020 General Ledger Summary
5. A copy of the funding agreement for Northern Business Relief Fund (NBRF) and/or Regional Relief and Recovery Fund (RRRF), if applicable
6. A copy of the funding agreement for the Canada Emergency Wage Subsidy (CEWS), if applicable
7. Certificate of incorporation or letter of good standing from Corporate Registries
8. Lease/mortgage agreement for commercial space, where applicable

The ITI regional office will send an email to confirm an application has been received, within two (2) business days of the email being received. If you do not receive an acknowledgement within the two (2) business days, please contact the ITI regional office.

Once an application has been reviewed and an amount deemed eligible by the ITI regional office, the applicant will receive a contribution agreement for review and signature. The applicant will return a signed copy to the ITI regional office for the signature of the regional Superintendent. A signed copy of the contribution agreement will be returned to the applicant indicating the final amount that has been approved for funding as well as the reporting requirements.

Eligible costs

The PREP will provide qualifying tourism operators with support for eligible NWT fixed costs in the form of a contribution.

The minimum amount that may be claimed through the PREP is \$2,500, and the maximum amount eligible has been increased to \$150,000 between April 1, 2021 and March 31, 2022.

The PREP will only support eligible NWT fixed operating costs where these costs are not already covered by other federal, territorial or municipal programs. In conjunction with ITI, BDIC staff may provide support when reviewing applicant submissions and assist with analysis.

PREP CONTRIBUTION RATE FOR ELIGIBLE NWT FIXED COSTS

Eligible NWT fixed costs	PREP contribution rate
Commercial Rent	Up to 100% of each eligible NWT fixed cost, to a maximum of \$150,000; provided the amount being requested does not allow the applicant to generate a profit from its participation in this relief program.
Commercial Mortgage (interest only) for tourism operators	
Mortgage (principal and interest) for home-based tourism operators*	
Utilities (heat, electric, water and sewer, phone and internet)*	
Subscriptions (for example, financial or booking systems)	
Insurance	
Financing or lease payments on tourism equipment (e.g. boats, snow machines, vehicles for tourism purposes) purchased before April 1, 2020 and not previously funded through a GNWT or federal program	
Other NWT fixed costs as deemed reasonable at the sole discretion of ITI.	

*Notes: For home-based businesses, ITI will consider reimbursement of a percentage of rent/mortgage and utilities equal to the proportion between personal and business uses at the same rate as used in the applicant's 2019 tax return, **provided the amount being requested does not allow the applicant to generate a profit from its participation in this relief program.**

For applicants based outside the NWT, ITI will prioritize eligible fixed costs that are NWT-based.

The exceptions: Applicants who have paid for a commercial land lease through the Department of Lands may submit a stand-alone receipt for a commercial land lease for 100% reimbursement. This receipt may also be included as part of a larger request for support through the PREP.

Applicants who require assistance from a bookkeeper or accountant to prepare their financials may apply to the PREP for those costs, to a maximum of \$4,000, before making a full submission. These applications will be accepted if they are less than the minimum amount of \$2,500 as it is anticipated that the full submission will be for more than the minimum amount.

Ineligible costs

In conjunction with ITI, BDIC staff may provide support when reviewing applicant submissions and assist with analysis. The following costs are deemed ineligible for support under the PREP:

- salaries and wages
- costs covered by business continuity insurance
- mortgage for property(ies) other than the primary business location OR residential properties used for income generation (for example, Airbnb)
- other costs that may be deemed ineligible and/or are not deemed by ITI or by BDIC to be required during the period of business closure or reduced operations
- non-cash expenditures (e.g. amortization)

The PREP has been designed to provide support to tourism operators with a demonstrated need for financial support for eligible fixed costs. Applicants will be required to provide reporting that demonstrates that the amount of support being requested from this and any other federal, territorial, municipal or other COVID-19 relief program (e.g. Indigenous Tourism Association of Canada) is not expected to allow the applicant to generate a profit from participation in this program.

Funding allocation

A total of \$2,500,000 has been allocated under the PREP in order to help support tourism operators in the NWT.

Applications received as part of the PREP are reviewed on a first come, first served basis until such time as all of the funding has been fully allocated.
Payments will be issued in two installments: a first payment upon determination of eligibility and application approval of 75% of eligible costs, and a subsequent payment after the invoices and receipts for the first installment are reviewed.

The applicant will be responsible for informing the ITI regional office of any change in circumstances/financial situation that might affect their eligibility for the PREP funding over the course of the agreement period.

Applicants that are unable to clearly demonstrate that they meet all eligibility requirements will be declined.

Reporting requirements

The ITI regional office responsible for your application will require a mid-term “check in” on how funds received are being spent. This date will be included in the reporting requirements in the contribution agreement. In conjunction with ITI, BDIC staff may provide support when reviewing applicant reporting and assist with analysis.

The purpose of the mid-term “check in” is to determine the amount the successful applicant has spent to date and to review the eligibility of the expenses. Successful applicants must submit an **updated profit and loss worksheet, receipts, and invoices** to demonstrate how the funding has been spent and **ensure no profit is being generated**.

Credit card statements are not accepted for reporting expenses; original invoices and receipts are required.

The outcome of the “check in” may change the amount of the payout of the second installment (the remaining 25% of the eligible funding allocated upon signing the contribution agreement, or portion of the 25%).

Successful applicants are responsible for informing the ITI regional office of any change in circumstances/financial situation that might affect their eligibility for the PREP funding over the course of the agreement period. This includes decisions about re-opening or permanently closing their business before the expiry of the agreement.

Successful applicants will also be required to produce a final report at the end of their agreement that will include copies of invoices and receipts for all remaining eligible costs incurred after the mid-term “check in” for the remaining agreement period to demonstrate how the funding has been spent and **ensure no profit is being generated**.

ITI reserves the right to request additional information from a successful applicant in order to confirm that it meets all eligibility requirements. Applicants that are unable to clearly demonstrate that they meet all eligibility requirements will be required to return funds for the unsubstantiated amount.

Successful applicants will be required to repay any amounts paid under the PREP that generate a profit or are deemed by the ITI regional office not to meet the eligibility requirements.

Appeal

In the event an applicant is unsuccessful in their application and/or is not satisfied with the decision of their ITI regional office, they can appeal in writing to the Assistant Deputy Minister, Economic Development, Department of Industry, Tourism and Investment, Government of the Northwest Territories.

Appeals may be sent by email to parksandtourism@gov.nt.ca

Appeals should outline the reasons why the applicant is appealing the decision.

ITI reserves the right to:

- Make exceptions to these guidelines in order to account for special circumstances or where a doubt remains as to a business' eligibility or need for relief funding.
 - Criteria for consideration for an exception may be applied if a business:
 - is a sole-proprietor, partnership, or incorporated company; and
 - is not a TOL holder; and
 - can clearly demonstrate that it relies on **out of territory travellers** for a **significant portion** of their income; and
 - is operating, and will continue to operate, at a loss over the period of the program (e.g. to incur ongoing expenses that are higher than incoming revenues) as a direct result of border restrictions; and
 - has not filed for bankruptcy; and
 - has been in operation prior to April 1, 2020, at a minimum.
 - If a business is approved to apply to the PREP as an exception, the minimum eligible amount for funding is \$2,500 and the maximum eligible amount for funding is **\$25,000**
 - Conduct an audit of recipients, including in cases of suspected fraud. Legal remedies for fraudulent claims could include reimbursement, prosecution of criminal charges, and fines. These consequences could apply to any tourism operator that engages in artificial transactions to reduce revenue or inflate fixed costs for the purpose of claiming funds from the PREP.

Contact

For more information or to apply, please contact the Tourism Development Officer in your region:

Beaufort Delta

E-mail: Tourism_BeaufortDelta@gov.nt.ca

Dehcho

E-mail: Tourism_Dehcho@gov.nt.ca

Sahtu

E-mail: Tourism_Sahtu@gov.nt.ca

North Slave

E-mail: Tourism_NorthSlave@gov.nt.ca

South Slave

E-mail: Tourism_SouthSlave@gov.nt.ca