

Community Futures Peace Liard

Self-Employment Program Agreement – Business Plan Implementation Phase

Between: Community Futures Peace Liard
904 – 102nd Avenue, Dawson Creek, BC, V1G 2B7

(Hereinafter called “COMMUNITY FUTURES”)

AND

Name of individual (Hereinafter called the “PARTICIPANT”)

S.I.N.: _____ Address: _____

WHEREAS COMMUNITY FUTURES, Pursuant to Part II of the Employment Insurance Act, S.C. 1996 Chapters 23 (“the ACT”) the Employment Insurance Commission (the “COMMISSION”) has established the “Self-Employment Benefit” under which financial assistance may be provided to community organizations to support projects to help unemployed persons who qualify as “insured participants” under the ACT start businesses;

WHEREAS COMMUNITY FUTURES has implemented a project to assist individuals who qualify as “insured participants” under the ACT to start a business (the “Self-Employment Program”) and has entered into a Contribution Agreement, with the COMMISSION to received contributions to the Eligible Costs, as defined in the contribution agreement, incurred by COMMUNITY FUTURES in carrying out the Self-Employment Program.

WHEREAS the PARTICIPANT is an insured PARTICIPANT (in accordance to the definition by the COMMISSION) and desirous of starting a business or becoming self-employed and has requested assistance under the Self-Employment Program to implement their business plan;

AND WHEREAS COMMUNITY FUTURES is prepared to provide assistance to the PARTICIPANT under the Self-Employment Program.

NOW, THEREFORE, COMMUNITY FUTURES and the PARTICIPANT agree as follows:

1. Interpretation

For the purposes of this agreement:

- a) “ACT” means the Employment Insurance Act;
- b) “Employed full-time” means working at least 35 hours per week;
- c) “Insured PARTICIPANT” means a person who qualifies as an “insured PARTICIPANT” within the meaning of the Employment Insurance Act when requesting the assistance, i.e. an unemployed person;
- d) “Business plan” means a written plan to start a business or become self-employed;
- e) “Self-Employment Program Business Plan Implementation Phase” means the period beginning _____ and ending _____ or, if extended under Section 9, ending on the date to which the period was extended; and
- f) “Reach back allowance” is the amount a PARTICIPANT with an active Employment Insurance claim may be eligible for, in addition to, and upon completion of regular Employment Insurance benefits, to a maximum amount provided in Schedule 1.

2. Basic Weekly Allowance

- a) Subject to the terms and conditions of this agreement; COMMUNITY FUTURES agrees to pay to the PARTICIPANT an allowance (“basic weekly allowance”) to cover all or part of her/his basic living expenses for each week during the Self-Employment Program Business Plan Implementation phase that he/she is employed full time in implementing her/his business plan. The amount of the basic weekly allowance is the amount determined in accordance with Schedule 1 and may consist partly or entirely of Employment Insurance benefits to which the PARTICIPANT is entitled;
- b) Unless extended under Section 9 of this document, the total number of weeks for which the basic weekly allowance may be paid is _____ (maximum of 52 weeks less any weeks received under the Self-Employment Business Plan Development Phase Agreement);
- c) The PARTICIPANT agrees to inform COMMUNITY FUTURES immediately of any change in address;
- d) The PARTICIPANT acknowledges and understands that COMMUNITY FUTURES, in determining the amount of the basic weekly allowance to be paid under subsection 2a) takes into account the amount, if any, of Employment Insurance benefits which the PARTICIPANT is eligible to receive, by virtue of section 25 of the ACT, for any weeks during her/his Self-Employment Program period. In this regard, if at the time of signing this agreement, the

PARTICIPANT is not qualified to receive Employment Insurance benefits under Part 1 of the Act, OR is a claimant for whom a benefit period has been established under the ACT but who has been disentitled or disqualified from receiving Employment Insurance benefits; the PARTICIPANT understands that he/she will receive the amount of basic weekly allowance referred to in Part B 1. of Schedule 1, the Reach-back allowance. If, however, following the signing of this agreement and as a result of a reconsideration of the PARTICIPANT'S claim for Employment Insurance benefits under Section 52 of the Act or an appeal under Section 11.4 or 11.5 of the Act, the PARTICIPANT becomes entitled to, and receives, Employment Insurance benefits under Part 1 of the Act in respect of any week during her/his Self-Employment Program period, the PARTICIPANT agrees to repay forthwith to the COMMUNITY FUTURES an amount equal to:

- i) 100% of the basic weekly allowance paid for that week, or
 - ii) 100% of the Employment Insurance benefits paid for that week, which ever is the lesser amount:
- e) Any amount repayable by the PARTICIPANT under subsection 2.c) is a debt owing to COMMUNITY FUTURES and in addition to any other remedies available, COMMUNITY FUTURES shall have the right to deduct this amount from any amount owed by COMMUNITY FUTURES to the PARTICIPANT under this agreement;
 - f) COMMUNITY FUTURES shall have the right to assign any debt owing to it by the insured PARTICIPANT under the agreement to The Commission and that upon any such assignment being made, the insured PARTICIPANT shall be indebted to Her majesty for the entire amount of the debt. In the event of an assignment of the debt to The Commission, The Commission shall be entitled to take any recourse available to The Commission to collect debts owing to the Crown (including set-off, actions, etc) and shall be entitled to recover any legal costs and applicable interest.
 - g) If the PARTICIPANT receives "employment earnings" during the period of time that he/she is receiving Benefits under section 25 of the Act (Part A), from a source or in respect of employment, other than her/his self-employment; the PARTICIPANT must report these earnings on his/her report cards to Service Canada.
 - h) While on the Self-Employment Program Business Plan Implementation Phase, the client agrees that **no more than 5 hours of non-self-employment activities will be permitted per week.** Exceeding 5 hours per week of "employed earnings" will be interpreted as "return to work" and the Self Employment Program Agreement will be terminated.

3. Additional Financial Support

Subject to the terms and conditions of this agreement, COMMUNITY FUTURES agrees to provide additional allowances to assist the PARTICIPANT in covering the costs of meeting specific, approved basic business training needs while he/she is employed in implementing her/his business plan during her/his Self-Employment Program Business Plan Implementation phase. The following conditions apply with respect to any additional allowances:

- a. The PARTICIPANT agrees to attend for the full duration of any workshops he/she receives permission to register for.
- b. The PARTICIPANT is aware that unexcused absence from, or failure to attend any recommended workshop session or consultation appointments sponsored by COMMUNITY FUTURES may result in discontinuation of further sponsored workshops by COMMUNITY FUTURES or may also result in termination of this agreement.

4. Payment

The basic weekly allowance and additional allowances payable under Section 3 of this document, if any, will be paid in installments in accordance with schedule 1. **Payment of the basic weekly allowance can be withheld at the discretion of COMMUNITY FUTURES if the PARTICIPANT has not complied with the conditions of this agreement or has not provided information as requested by COMMUNITY FUTURES or its representative.**

5. Conditions of Entitlement to Allowances

To maintain entitlement to the basic weekly allowance and additional allowances payable under Section 3 of this document, if any, the PARTICIPANT shall:

- a) Obtain, prior to the commencement of any business activity, all permits, licenses, consents and other authorizations that are deemed necessary to permit the carrying out of the business and, the business shall be executed in compliance with all laws, by-laws, and regulations, including environmental protection measures ensuring that all standards and rules established by competent authorities are respected;
- b) Proceed diligently and in accordance with the directions of COMMUNITY FUTURES and:
 - i. Following approval of the business plan employ herself/himself full time (35 hours per week) in implementing the business plan.
 - ii. Provide a monthly report and a copy of that month's business bank account statement to COMMUNITY FUTURES in a timely, manner (on or before the 15th day of the following month), including a statement of weekly "earnings", if applicable, as provided in Section 2 c) of this document.
 - iii. Continue to operate the business in the Peace Liard for the duration of the contract. Relocation to another jurisdiction may result in termination of this agreement.

6. Verification of Entitlement

In order to permit verification by COMMUNITY FUTURES of the PARTICIPANT'S entitlement to the basic weekly allowance (under 2.b) and the additional allowance payable under Section 3 of this document, if any, the PARTICIPANT shall:

- a) Maintain the following records:
 - i. The number of hours worked on implementing the business plan each week during her/his Self-Employment Program Business Plan Implementation phase;
 - ii. Receipts, vouchers or other documents evidencing payment, by the PARTICIPANT for costs incurred by the PARTICIPANT are eligible for an allowance under section 3 of this document, for the cost of daycare or business consulting needs;
 - iii. proper accounts and records in accordance with generally accepted business and accounting practices, and make available these records, at all reasonable times for inspection and audit by the representatives of COMMUNITY FUTURES who shall be permitted to take copies and extracts from such books and records;
 - iv. Such other records as COMMUNITY FUTURES may require.
- b) Submit completed monthly activity reports and financial statements as provided/required by COMMUNITY FUTURES.
- c) Advise COMMUNITY FUTURES of any changes to the business and/or changes to the business ownership.
- d) Advise COMMUNITY FUTURES of any material change to the PARTICIPANT'S financial situation. COMMUNITY FUTURES shall have the right to reduce the amount of financial assistance where appropriate.
- e) To permit COMMUNITY FUTURES and/or Service Canada (the "COMMISSION") to have access to the site or sites where the PARTICIPANT carries out business.
- f) Upon request, allow representatives of COMMUNITY FUTURES access at all reasonable times to the records referred to in paragraph 6.a of this document for the purposes of monitoring the progress of the PARTICIPANT in the implementation of her/his business plan and verifying the PARTICIPANT'S entitlement to the basic weekly allowance and additional allowances, if any, paid under section 3 of this document.

7. Sharing of Information

All information received by COMMUNITY FUTURES, or through parties with whom it contracts, may be shared with Service Canada for Employment Insurance and/or one of the Community Employment Service Providers.

8. Representation and Warranty

The PARTICIPANT represents and warrants that if within the five-year period immediately preceding her/his application for assistance under the Self-Employment Program, he/she has received assistance to start a business or become self-employed under the ACT or the former Unemployment Insurance Act, or under any other "self-employment" program conducted by the Government of Canada that he/she will release this information to COMMUNITY FUTURES. The PARTICIPANT warrants that he/she has not already started the business prior to signing this contract.

9. Extension of Self-Employment Program Business Plan Implementation Phase

If COMMUNITY FUTURES is of the opinion that the PARTICIPANT needs additional time to start a business or become self-employed, COMMUNITY FUTURES may, at its discretion, review the PARTICIPANT'S initial Self-Employment Program benefit period, and extend the PARTICIPANT'S allowance for a period not to exceed a maximum of 52 weeks including any weeks received during Phase I (Business Plan Development) of the Self-Employment Program.

10. Termination

- a) COMMUNITY FUTURES may, upon written notice, terminate this agreement at any time if:
 - i. the PARTICIPANT is in breach of any condition or obligation set out in Section 2,3,5, 6 or 8 of this document;
 - ii. the representation and warranty made by the PARTICIPANT in section 8 of this document is false and/or inaccurate.
 - iii. In the opinion of COMMUNITY FUTURES or any third party assigned by COMMUNITY FUTURES, the PARTICIPANT'S revised or amended business plan submitted under Section 5 of this document is not acceptable;
 - iv. In the opinion of COMMUNITY FUTURES, the PARTICIPANT'S business plan submitted under Section 5 of this document, is materially inconsistent with the performance of the actual business undertaken which includes failure to meet a reasonable cash flow level; and

- v. Any information provided to COMMUNITY FUTURES by the PARTICIPANT in support of her/his request for assistance under the Self-Employment Program was materially false or misleading.
- b) This agreement may be terminated should the Government of Canada amend or withdraw funding for the Community Co-ordinator contract between Service Canada and The Community Futures Corporation of Peace Liard.
- c) The PARTICIPANT may terminate this agreement at any time upon written notice to COMMUNITY FUTURES.

11. Recognition of Liability and Waiver of Claim

- a) The PARTICIPANT recognizes that under Section 65 of the ACT he/she is liable to repay, as debts due to COMMUNITY FUTURES, all amounts paid to him/her under this agreement to which s/he is not entitled.
- b) The PARTICIPANT must repay COMMUNITY FUTURES any amount of financial assistance provided to which the PARTICIPANT is not entitled. This would include any amount to which the insured PARTICIPANT is not entitled, any payments made to the insured PARTICIPANT in error, the amount of any payments made for costs in excess of the amount actually incurred by the insured PARTICIPANT for those costs and the amount of any payments that were used for costs that were not eligible for reimbursement under the agreement.
- c) Any information Provided to the PARTICIPANT by COMMUNITY FUTURES, its agents, employees, directors, volunteers, and others acting on behalf of COMMUNITY FUTURES is given without warranty or representation as to its accuracy. It is highly recommended that the PARTICIPANT obtain advice and assistance from independent solicitors and accountants on any legal or financial decisions.
- d) The PARTICIPANT shall, both during and following the term of this agreement, indemnify and save COMMUNITY FUTURES harmless from and against all claims, losses, damages, costs, expenses, and other actions made, sustained, brought, threatened to be brought or prosecuted, in any manner based upon, occasioned by, or attributable to any injury or death of a person; loss of or damage to property caused or alleged to be caused by any willful or negligent act; omission or delay on the part of the PARTICIPANT or her/his employees, or other parties with whom they contract in connection with anything purported to be or required to be provided by or done by the PARTICIPANT pursuant to this agreement or done otherwise in connection with the business. This provision shall survive the termination of this agreement.

IN WITNESS WHEREOF, Community Futures Development Corporation of Peace Liard and the Participant have signed this agreement.

FOR THE PARTICIPANT

_____, the "PARTICIPANT" has received and read the terms and conditions of this Self-Employment Program Agreement and declares that, without the financial support provided by SEB Program that he/she would be unable to fulfill the commitments set out in his/her business plan.

_____, the "PARTICIPANT" understands that he/she can be disqualified from the PROGRAM or penalties can be imposed upon for making false or misleading statements in this agreement or in any other information provided to COMMUNITY FUTURES or Service Canada.

Signed by the PARTICIPANT this _____ day of _____, 2007 .

Signature

Print Name of Participant

FOR COMMUNITY FUTURES PEACE LIARD

Signed by Community Futures Peace Liard by its authorized signatory

This _____ day of _____, 2007 .

Signature of Authorized Signatory

Debbie Fynn

Print Name of Authorized Signatory

Schedule A

Basic Weekly Allowance

Client Name _____ **S.I.N.** _____

PART A – Regular Employment Insurance Clients (Delete Part A if not applicable)

THIS PART APPLIES ONLY IF, AT THE START OF HER/HIS SELF-EMPLOYMENT PROGRAM BUSINESS IMPLEMENTATION PHASE, THE **PARTICIPANT** IS ENTITLED TO RECEIVE REGULAR EMPLOYMENT INSURANCE BENEFITS UNDER SECTION 25 OF THE ACT.

1. The basic weekly allowance that the PARTICIPANT is entitled to receive during this portion of the PARTICIPANT’S Self-Employment Program Phase 2 is \$ _____. This amount has been determined on the understanding that the PARTICIPANT’S rate of weekly Employment Insurance benefits under the Act is \$ _____, less applicable Income Tax withholdings. Where applicable, Community Futures Development Corporation of Peace Liard will pay a “Top-Up” amount to make up the difference (\$ _____) between the PARTICIPANT’S regular Employment Insurance Benefit rate and the approved basic weekly Self-Employment allowance.
2. Benefits under this portion of the Program will commence on _____ with the first payment after _____, and continue until _____.
3. Upon expiration of the PARTICIPANT’S regular Employment Insurance Benefit period, the PARTICIPANT will continue to receive a basic weekly allowance under the Reach-back component of the Self-Employment Program. The amount of the basic weekly Reach-back allowance will be \$ _____ (maximum of \$423.00 per week), less applicable Income Tax withholdings.
4. The basic weekly allowance under the Reach-back portion of the Program will commence on _____ with the first payment after _____, and continue until _____.
5. The basic weekly allowance will be paid in installments every 2 weeks.

PART B – Reach-back Clients (Delete Part B if not applicable)

THIS PART APPLIES IF, AT THE START OF THE SELF-EMPLOYMENT PROGRAM BUSINESS PLAN IMPLEMENTATION PHASE, THE **PARTICIPANT** IS NOT ENTITLED TO RECEIVE REGULAR EMPLOYMENT INSURANCE BENEFITS UNDER SECTION 25 OF THE ACT.

1. The amount of the basic weekly Reach-back allowance payable to the PARTICIPANT will be \$ _____ (maximum of \$423.00 per week), less applicable Income Tax withholdings.
2. The basic weekly allowance will be paid every 2 weeks.
3. The basic weekly allowance will commence on _____¹ with the first payment after _____², until _____.

Any allowances to be paid by Community Futures Peace Liard (COMMUNITY FUTURES) are subject to the continuation of a Community Coordinator contract between Service Canada and COMMUNITY FUTURES. Should the contract be discontinued, the client will be given a minimum of 30 days written notification of any change in benefit allowance payments.

COMMUNITY FUTURES SIGNATURE

CLIENT SIGNATURE

DATE

DATE

¹Where applicable, the Commencement of Reach-back benefits will be concurrent with the expiry of regular EI benefits and may be paid retroactively to that date.
² Delays in commencement of payments may be due to delays in the submission of the Benefits Application and/or the time at which this agreement is signed in relation to the CFPL payment processing cycle