

Universal Broadband Fund



**Connecting
Communities BC**

Recipient Guide

**Requesting a Claim for Payment under the Connecting
Communities British Columbia (CCBC)**

Connecting Communities British Columbia

Recipient Guide: Requesting a Claim for Payment

Note to Readers

This document contains information and guidance on requirements to be met by Recipients when preparing claims for reimbursement of eligible costs. The information contained herein is provided for ease of reference only and is subject to change without notice at the sole discretion of Innovation, Science and Economic Development Canada (CONNECTIVITY BC). Recipients should always refer to the relevant provisions of the contribution agreement (CA), which take precedence over this document in case of conflict or discrepancy.

This document does not limit or prejudice in any manner any right or discretion of the Minister, the Minister's representatives, the Auditor General of Canada, or anyone acting on behalf of the Auditor General of Canada, including, without limitation or prejudice to the generality of the foregoing, any of their rights or discretion under the CA to request and obtain from Recipients or third parties information or documents in addition to, or different from, those specified herein.

Connecting Communities British Columbia

Recipient Guide: Requesting a Claim for Payment

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1. PURPOSE

The purpose of this document is to provide Recipients who have entered into a Contribution Agreement (CA) under the Connecting Communities British Columbia (CCBC) Program with guidance on how to submit a Claim for payment (i.e. reimbursement of eligible costs).

In addition to the guidance provided in this document, recipients may also refer to two separate documents also available on the Recipient Toolkit site including:

- Recipient Guide, Managing Contribution Agreements and Reporting Requirements
- Recipient Guide, Process for Submitting Required Milestone Deliverables.

2. THE CONTRIBUTION AGREEMENT

The CA sets out the terms and conditions to be met by Recipients in carrying out their projects, including requirements for the payment procedure. Recipients should familiarize themselves with the provisions of their agreement, in particular:

- Section 6: The Contribution;
- Section 9: Claim Payments;
- Section 10: Progress and Financial Reporting;
- Schedule A: Statement of Work
 - Key Project Dates;
 - Annex A-5: Project Budget;
 - Annex A-6: Eligible and Ineligible Costs;
- Schedule B: Costing Memorandum, and Eligible and Ineligible Costs;
- Schedule C: Reporting Requirements.

3. GENERAL INFORMATION

In order for a Claim to be processed, your organization will be required to submit the following package:

- 1. Claim Request Form;**
- 2. Cost Schedules 1 to 6, as applicable;**
- 3. Progress Report**

Note: For a Final Claim to be processed, two additional documents must also be submitted:

- 4. Final Implementation Report** (see separate template); and
- 5. Attestation Letter** certifying that all Eligible Costs are incurred and paid, and all obligations as set out in the Agreement have been met (see separate template).

This package is collectively referred to as the **Claim Documents**.

You are expected to submit completed Claim Documents to the CCBC Program on a **quarterly basis (i.e., for the periods April 1 to June 30, July 1 to September 30, October 1 to December 31 and January 1 to March 31)** no later than 45 days following the last day of the quarter, with the exception of the final claim, which is due no later than 60 days following project completion to demonstrate that your project is being implemented as planned, as per the timelines identified in Section 9.1 of the contribution agreement.

The federal government fiscal year ends on March 31 and in no circumstance can a claim period overlap two fiscal years.

The Claim Request Form, Progress Report, Final Implementation Report, and Attestation Letter **must** be certified by an authorized official of the Recipient satisfactory to the Minister.

4. HOW TO PREPARE AND SUBMIT A REQUEST A CLAIM FOR PAYMENT

4.1 General Instructions

For the CCBC program, recipients must submit all requests **electronically** using the UBFCBCaim Request Workbook (see the Recipient Toolkit section of the UBF weCCBCte to access this Workbook), unless otherwise agreed to by both Recipients and the UBF progrCCBC **Please do not submit hard copies.**

The CCBC Claim Request Workbook contains the following worksheets that must be completed:

- 1. Claim Request Form;**
- 2. Cost Schedules 1 to 6 as applicable; and**
- 3. Progress report.**

4.2 Preparing the Claim Request Form

a) Filling out the Claim Request Form

Recipients must complete all data entry fields that are highlighted in yellow. Information to be entered in these fields include:

- Recipient Information (e.g., name, address, contact information);
- Project Information (e.g., project number, key dates);
- Claim Request Information (e.g., selection of Claim number, whether it is a Final Claim, the date submitted); and,
- Eligible Costs Information (e.g., the period when costs were incurred for the project).

b) Signing the Certification Section

Once the Claim Request Form have been completed, Recipients need to have an authorized official (as per the approved Authorized Signatories Letter) sign and date the "Claim Payment CERTIFICATION" section in the space provided on the form.

4.3 Completing Cost Schedules 1 to 6

4.3.1 General information

Recipients must complete all data entry fields highlighted in yellow in each applicable cost schedule. Data entry requirements are described in column headings in the worksheets, and further explanations are provided, where appropriate. Fields highlighted in grey and orange in the worksheets are automatically calculated.

Only those costs incurred for CCBC projects, that are aligned with Schedule A and meet the requirements set out in Schedule B of the CA, are eligible for reimbursement and should be entered.

Program and Technical officers will be requesting supporting documents based on a sampling of claimed costs. Annex A of this guide provides examples of supporting documents which may be requested for each cost category.

Program officers may also request proof of payment; therefore Recipients must maintain complete and accurate records demonstrating proof of payment. Examples of suitable proof of payment are described in Annex B of this guide.

4.3.2 Guidance for each Cost Schedule

1. Direct Labour Costs

Direct Labour Costs are gross wages or salaries (normal periodic numeration before deductions) incurred for work performed or to be performed on CCBC projects and must only be claimed for employees on the Recipient's payroll.

Only hours / days spent by employees on work directly for CCBC projects can be claimed, i.e., no claims for indirect time, non-project related time, holidays, vacation time, and paid sick leave.

Direct labour rates / payroll rates must exclude all overtime and other premiums, shift differentials, any reimbursement or benefit conferred in lieu of salaries or wages, vacation pay and worker compensation benefits, as well as payment in terms of shares, stock, stock options, discretionary bonuses or performance related payments of any kind.

Program officers may contact Recipients to obtain an understanding of methodologies used for tracking, costing, recording and claiming Direct Labour Costs.

Note that costs for time spent by subcontractors and other third-party service providers on CCBC projects must be claimed under Other Direct Costs.

2. Direct Material Costs

Direct Material are those directly used for CCBC projects. It refers to those cost of materials which can be specifically identified and measured as having been used or to be used in the performance of the project in accordance with the following:

- These materials may include, in addition to materials purchased solely for the Project and processed by the Recipient, or obtained from subcontractors, any other materials issued from the Recipient's general stocks/inventory*.
- Materials purchased solely for the Project or subcontracts shall be charged to the Project at the net laid down cost to the Recipient, net of any taxes and before any discounts for prompt payment.

* When Materials used for the project are taken out of pre-existing inventory, it must be done so at "cost" in accordance with methods used consistently by Recipients in costing material inventories. Recipients should enter the text "Inventory" in the "Invoice Number" cell in the Direct Materials Cost Schedule, and the date on which the item was taken out of inventory in the "Invoice Date" cell.

Note that where a number of different types of materials are included on one invoice, each type must be entered on a different line in the Cost Schedule.

3. Direct Equipment Costs

Equipment Costs are those directly used for CCBC projects. It refers to the cost of equipment required for the completion of the project, including but not limited to servers, switches, fibre optic cable, repeaters, radio equipment, towers, poles, back-up power supplies, shelters and network broadband connectivity devices including upgrades.

Equipment purchased during the CCBC project period must be recorded at the net laid down cost to Recipients.

When equipment used for the project is taken out of pre-existing inventory (e.g. fibre), it must be done so at "cost" in accordance with methods used consistently by Recipients in costing equipment inventories. Recipients should enter the text "Inventory" in the "Invoice Number" cell in the Direct Equipment Cost Schedule, and the date on which the item was taken out of inventory in the "Invoice Date" cell.

Note that where a number of different types of equipment are included on one invoice, each type must be entered on a different line in the Cost Schedule.

4. Direct Satellite Capacity Costs

Direct Satellite Capacity Costs are the portion of direct purchase or lease of bandwidth or capacity delivered over the physical medium of satellite which can be specifically identified and measured as having been used or to be used in the performance of CCBC projects. These costs will be measured in units of Mbps, MHz, or a quantity of satellite transponders. Bandwidth or capacity purchased or leased must be recorded at the net laid down cost to Recipients.

5. Direct Travel Costs

Direct Travel Costs are those necessary to the performance of CCBC projects and considered reasonable. Direct Travel Costs claimed must be supported by travel logs or other documentation which clearly demonstrates the purpose of each trip, and respect the spirit of the Directive on Travel, Hospitality, Conference and Event Expenditures of the Treasury Board. Information such as when and where the travel occurred must also be included.

Note that Direct Travel Costs claimed must be only for travel taken by employees of Recipients. Travel costs incurred by contractors and other third-party service providers must be recorded in the Other Direct Costs schedule.

Recipients should consider the following items when entering specific information in the Direct Travel Costs schedule:

- Economy fares must be used in the booking of airfare and other public transportation and change and cancellation fees are not eligible.
 - Travel expenses, at economy rates, shall be charged at actual costs.
- Daily accommodation rates must be reasonable and based on actual receipts and “no show” or cancellation expenses are not eligible.
- For meals, per diem rates must only be used (i.e., no receipts), and must be reasonable, with rates published in the [National Joint Council Travel Directive](#) used as a reference point.
- Where a personal automobile is used, a kilometre (mileage) allowance must be used and must be reasonable, with allowances published in the [National Joint Council Travel Directive](#) used as a reference point.
- Where a commercial vehicle is used, Recipients may claim mileage at rates consistent with the type of vehicle used and services provided in accordance with the Recipient’s established travel policy or directives. In the absence of an established travel policy or guideline, the allowance will be based on rates outlined in the [National Joint Council Travel Directive](#) plus 20%.
- Road toll charges for vehicle travel on approved CCBC project business are eligible; however, parking fines, traffic violation fines (including photo radar), and impoundment / towing fees are not eligible.

Note that meal per diem rates and vehicle mileage rates contain Harmonized Sales Tax (HST), Goods and Services Tax (GST), Provincial Sales Tax (PST) and/or Quebec Sales Tax (QST), which must be backed out when entering travel costs. Only the portion of HST, GST, PST and / or QST which is **not** refundable / recoverable by the Canada Revenue Agency or provincial tax authority can be claimed as an eligible cost and recorded separately on cost schedules (this is further explained below).

6. Other Direct Costs

Other Direct Costs are those directly incurred for CCBC projects, but do not fall within the categories of Direct Labour, Direct Material, Direct Equipment, Direct Satellite Capacity, or Direct Travel Costs.

Other Direct Costs include project management services, engineering services, and other services / labour performed by subcontractors, as well as travel costs incurred by subcontractors, which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Project and which are so identified and measured consistently by the Recipient’s cost accounting practices as accepted by the Minister.

Recipients should be prepared to demonstrate the reasonableness of these costs if requested by program or technical officers, particularly where these costs could be perceived as unreasonably high. An example of supporting documents may include agreements with subcontractors and third parties showing details of how costs are determined and charged to CCBC projects.

4.3.3 Other Considerations

Recipients should consider the following information and guidance that apply to more than one of the above six cost categories.

- **Invoices where a portion of items is being claimed:**

Where an invoice includes some items that are being claimed for CCBC projects, and others that are not, the items and related amounts being claimed should be clearly identified on invoices.

- **Credits:**

The applicable portion of any income, rebate, allowance, or any other credit relating to any applicable Eligible Costs, received by or accruing to the Recipient, will be credited to the Project and the Eligible Costs to be reimbursed under this Agreement.

- **Related party transactions:**

Materials, equipment, project management and contracted labour acquired from related parties must be valued at cost to the supplying entity and must not include any mark up for profit or return on investment.

- **Purchases from non-Canadian suppliers:**

Goods purchased from suppliers from a country other than Canada must be reported in Canadian dollars, with an appropriate exchange rate used (the Bank of Canada rate should be used as a benchmark).

- **Sales taxes:**

Only the portion of HST, GST, PST and/or QST which is not refundable / recoverable by the Canada Revenue Agency or provincial tax authority can be claimed as an eligible cost. Note that the HST, GST, PST and/or QST must be entered separately for each purchase in the cost schedules.

4.4 Preparing the Progress Report and/or Final Implementation Report

a) Filling out the Progress Report and/or Final Implementation Report

Recipients must respond to all questions and provide an explanation in the spaces provided within the report. Information to be provided include:

Progress Report:

- Project Implementation (e.g., project progress details); and,
- Project Budget (e.g., issues or risks that may affect the project budget, updated budget)

Final Implementation Report (with a Final Claim only):

- Overall Project Results
- Lessons Learned / Impacts

Note: Recipient information (e.g., name), project information (e.g., project number), and Claim request information (e.g., date submitted and selection of Claim) are pre-populated in the Progress Report once this respective information has been filled out by the Recipient on the Claim Request Form.

b) Signing the Certification Section

Once the Final Implementation Report is completed, Recipients need to have an authorized official (as per the approved Authorized Signatories Letter) insert their name and title along with the date in the "RECIPIENT CERTIFICATION" section in the space provided on the report.

4.5 Submitting the Claim Request Form, Progress Report, Final Implementation Report, and Attestation Letter

a) Process for Submitting the Documents

After certifications are obtained, Recipients should send the following as attachments in an email to the respective assigned CCBC program and technical officers:

- An electronic copy (in PDF format) of the signed Claim Request Form;
- The completed CCBC Claim Request Workbook (Excel);
- For a Final Claim only:** The completed Final Implementation Report; and,
- For a Final Claim only:** An electronic copy (in PDF format) of the signed Attestation Letter.

5. THE CLAIM PAYMENT PROCESS

5.1 Completeness Check

Upon receiving the Claim Documents, CCBC program and technical officers will ensure that all the necessary documents have been provided and are appropriately completed. A follow-up request will be made for any missing information.

5.2 Request for a Sample of Supporting Documents

Program or Technical officers will request specific supporting documents (invoices, timesheets, etc.) for a sample of costs claimed, which can cover one or more of the six cost categories. These documents will be used to substantiate amounts being claimed. The nature and extent of samples will be based on a risk assessment of funded projects. Examples of the types of supporting documents that can be requested are described in Annex A of this guide.

5.3 Review and Verification

CCBC officers will then review all the ***Claim Documents*** to ensure the project is completed as planned and all deliverables are met in accordance with the contribution agreement.

Program and Technical officers will examine requested supporting documents and assess the eligibility and reasonableness of costs claimed in relation to the CA. Adjustments may be required if costs are not eligible, supported or reasonable. The CCBC program reserves the right to determine eligibility of costs.

Holdbacks on CCBC program funding may also be applied where it has been identified that Recipients are late in submitting reports or supporting documentation. Holdbacks may also be applied to mitigate certain risks associated with projects. The amount of holdbacks will be based on a risk assessment of funded projects and will be discussed with Recipients by program officers in advance.

In addition, both officers will verify the achievement of Claim deliverables set out in the CA and associated documentation, as well as review the final implementation report.

Officers may contact Recipients to ask questions about costs claimed and / or Claim deliverables, and to request additional supporting documents, if deemed necessary.

5.4 Claim Request Approval and Payment Processing

Program and technical officers will recommend a Claim requests for payment once the review has been completed, issues have been resolved, and all CA conditions for Claim payment have been addressed.

Upon receipt of completed and required Claim Documents, CONNECTIVITY BC aims to have the payment request processed within 45 calendar days. This does not include the time it takes for Recipients to provide additional requested supporting documents and respond to follow-up questions.

Note: All payments will be made through direct deposit as cheques are no longer issued, except in exceptional circumstances.

ANNEX A – EXAMPLES OF DOCUMENTS TO SUPPORT CLAIMS

Cost category	Supporting documents
Direct Labour	<ul style="list-style-type: none"> • Project time recording system / process / methodology used to track, cost, record and claim Direct Labour Costs, particularly where Recipients manage multiple projects and employee time is charged to multiple projects. • Employee time sheets or time logs, clearly demonstrating the number of hours / days worked on CCBC projects and provide the description and details of the work done. • Employee pay stubs or other related documents to support salary rates used and demonstrate payments of salary to employees.
Direct Materials	<ul style="list-style-type: none"> • Copies of original receipts and invoices for purchases made during the project period for direct use in CCBC projects. • For materials taken out of inventory for direct use in CCBC projects, documentation demonstrating that items were taken out of inventory at “cost” such as: <ul style="list-style-type: none"> ◦ Printouts of inventory account sub-ledger clearly identifying the description of material, the date of removal from inventory, quantity removed, and cost amount ◦ Invoices for materials at the time of purchase when they were put into inventory (or a recent invoice for the same materials from any supplier). • Documented evidence of tendering, contractor selection process, or sole source justification if the process is not competitive, to support the reasonableness of amounts claimed where they may be perceived as high.
Direct Equipment (including Direct Fibre)	<ul style="list-style-type: none"> • Copies of original receipts and invoices for purchases made during the project period for direct use in CCBC projects. • For equipment (e.g. fibre) taken out of inventory for direct use in CCBC projects, documentation demonstrating that items were taken out of inventory at “cost” such as: <ul style="list-style-type: none"> ◦ Printouts of inventory account sub-ledger clearly identifying the description of fibre, the date of removal from inventory, quantity removed, and cost amount ◦ Invoices for equipment at the time of purchase when they were put into inventory (or a recent invoice for the same fibre from any supplier). • Documented evidence of tendering, contractor selection process, sole source justification if the process is not competitive, to support the reasonableness of amounts claimed where they may be perceived as high.
Direct Satellite Capacity	<ul style="list-style-type: none"> • Copies of original receipts and invoices for purchases and leases entered into during the project period for direct use in CCBC projects. • Documented evidence of tendering, contractor selection process, sole source justification if the process is not competitive, to support the reasonableness of amounts claimed where they may be perceived as high. • Agreements with satellite provider showing details of how costs are determined and charged to CCBC projects. When the acquired satellite capacity is used in part for the CCBC project and in part for other purposes, a detailed calculation showing that the amount claimed is proportional to the capacity dedicated to the project.
Direct Travel	<ul style="list-style-type: none"> • Travel logs or similar documentation identifying the purpose of each trip (which must relate to CCBC projects), names of travellers, starting and ending locations, and distance travelled. • Airfare - a copy of original airline tickets (E-tickets are acceptable when clearly marked e-ticket by carriers) which clearly demonstrates flight itinerary and name of passenger, class of travel, date of travel and cost breakdown, and a copy of boarding passes if possible. • Hotel Accommodation - a copy of original invoices / receipts showing transactions making up the total cost, and evidence that accommodation charges are reasonable, with the National Joint Council Travel Directive used as a reference point. • Private Accommodation - a copy of original signed receipts or signed letter from individuals providing accommodations.

	<ul style="list-style-type: none"> • Car Rental - a copy of original receipts. (Note: gas will only be paid for vehicles required to be refuelled to complete trips or as a requirement of car rental contracts – an explanatory note should be provided). • Personal Vehicle Use - Proof that CCBC project-related travel took place (e.g., supported by travel logs), distance travelled, and kilometric rates as per Recipient travel policies, which must be reasonable, with the National Joint Council Travel Directive used as a reference point. • Commercial Vehicle Use - Proof that CCBC project-related travel took place (e.g., supported by travel logs), distance travelled, and kilometric rates as per Recipient travel policies. In the absence of an established travel policy or guideline, the allowance will be based on rates outlined in the National Joint Council Travel Directive plus 20%. • Meal Allowance – Proof that employees incurred meals while working on or in transit to CCBC projects (e.g., supported by travel logs), and per diem rates as per the Recipient travel policies which must be reasonable, with the National Joint Council Travel Directive used as a reference point. • Parking - a copy of original receipts. • Train / Bus - a copy of original transportation tickets. • Taxi - a copy of original receipts / chits.
Other Direct	<ul style="list-style-type: none"> • Contractor Labour - contractor invoices and supporting documentation to demonstrate that labour costs / rates are reasonable. • Contractor Travel - contractor invoices and supporting documentation to demonstrate that travel costs are reasonable. • Agreements with subcontractors and third parties showing details of how costs are determined and charged to CCBC projects.

ANNEX B – EXAMPLES OF SUITABLE PROOF OF PAYMENT

Copies of invoices marked paid may be requested and are the most typical proof of payment document. It is recognized, however, that there are other forms of suitable proof of payment that can serve to support an expenditure being claimed for reimbursement.

This table below provides examples of other suitable proof of payment documents. Note that the list is not exhaustive. If there are any questions concerning the suitability of a document to be provided, please contact the CCBC program officer assigned to the project.

Examples of Suitable Proof of Payment

Payment method	Examples of Suitable Proof of Payment
Payment by cheque	<ul style="list-style-type: none"> • Photocopy of the front and back of the cancelled cheque; • Copy of a bank statement that clearly shows the payment made to the vendor; or • Statement of Account, or letter from the vendor showing a contact name and phone number, verifying receipt of payment in full including dates.
Direct payment	<ul style="list-style-type: none"> • Photocopying of the bank statement clearly indicating the date of the withdrawal from the account and the vendor name; or • Statement of Account, or letter from the vendor showing a contact name and phone number, verifying receipt of payment in full including dates.
Payment by credit card	<ul style="list-style-type: none"> • Copy of the credit card receipt that indicates payment by credit card; or • Copy of a credit card statement showing the charge to the supplier.
Payment by cash	<ul style="list-style-type: none"> • Copy of the cash receipt showing the vendor name, address, phone number, transaction number (if applicable) and contact name; or • Statement of Account, or letter from the vendor showing a contact name and phone number, verifying receipt of payment in full with dates.