

Nova Scotia Community College

# **Ecological Forest Equipment Program**

Application Guidelines

# Contents

- Understanding the opportunity.....3
  - Application dates.....3
  - Program goals.....3
  - Grant amounts .....3
- Eligibility criteria.....4
  - Eligible equipment.....5
- How to apply.....6
  - Application requirements.....6
  - Application approval process.....6
  - Evaluation criteria.....7
  - Notice of approval .....7
  - Grant requirements .....7
- How to complete the application form.....8
  - Section 1: Applicant information .....8
  - Section 2: Equipment and ecological implementation information .....8
  - Section 3: Knowledge and experience in ecological forestry practices .....8
  - Section 4: Additional information .....8
  - Section 5: Consent to use of Personal Information.....8
- How to submit your application.....8
- Other considerations.....9

# Understanding the opportunity

The Ecological Forest Equipment Program (EFEP) supports the shift to ecological forestry in Nova Scotia through funding grants that help with the purchase or retrofitting of ecological harvesting equipment. Through the EFEP, forest contractors will gain access to equipment and resources designed to support ecological forestry initiatives. This includes equipment capable of meeting the objectives and outcomes of ecological forestry.

This application guide will explain how to apply for funding support for an ecological forestry equipment purchase. Any information you provide as part of this application process will be treated according to the *Access to Information and Privacy Act*.

Nova Scotia Community College (NSCC) will only consider applications that have been completed in full. Please follow this application guide to ensure you meet these requirements.

## Application dates

The application period for EFEP grants opens on May 1, 2024 and closes on May 31, 2024. Applications may reopen in the future depending on funding availability.

## Program goals

This program provides critical support to the forestry sector as it transitions and adopts more ecological approaches to forest management. The goals of the program include:

1. Scaling and expanding the capacity of forestry contractors by increasing harvesting efficiency, reducing equipment out-of-service time for repairs, and promoting economic development and employment in rural Nova Scotia.
2. Supporting private landowners in adopting ecological forestry by enabling sector diversification, increasing niche market opportunities, and funding equipment designed for sustainable harvesting on private woodlots.
3. Advancing ecological forestry by improving sustainable forest management practices, decreasing environmental waste, adopting ecological supports and increasing the lifespan of equipment.

## Grant amounts

EFEP grants cover only a portion of the total cost of purchasing or retrofitting forestry equipment. Applicants are required to have proof of approved financing in place for all remaining costs.

***Grants must be applied only to the purchase or retrofitting of equipment. Grant support will only be provided toward the capital cost of approved equipment and will not support importation costs.***

### **Chart: Grant amounts by equipment category**

<b>Equipment Category</b>	<b>Grant Amount (% of purchase price)</b>	<b>Minimum Grant (\$ excluding HST)</b>	<b>Maximum Grant (\$ excluding HST)</b>
New	35%	\$50,000	\$250,000
Used	30%	\$50,000	\$150,000
Renew / Retrofit	50%	\$15,000	\$150,000

**Maximum cumulative value:** No Applicant Entity can receive grants exceeding a cumulative value of \$500,000 through the entire duration of the program.

**Application limit:** An Applicant Entity is limited to a maximum of two applications to the EFEP through the entire duration of the program.

**Example scenarios:**

1. The lowest quote an applicant receives for a qualifying piece of equipment is \$800,000. The maximum EFEP grant amount an applicant can receive is 35% for new equipment ( $\$800,000 \times .35 = \$280,000$ ). The maximum grant amount for new equipment is \$250,000, so the maximum amount this applicant could receive is \$250,000.
2. An applicant applies for two pieces of equipment to support a harvesting practice: a piece of used equipment worth \$450,000 and a piece of new equipment worth \$600,000. The maximum EFEP grant amount an applicant can receive is 30% for used equipment ( $\$450,000 \times .30 = \$135,000$ ). The maximum grant amount an applicant can receive is 35% of new equipment ( $\$600,000 \times .35 = \$210,000$ ). These amounts total \$345,000, so if these two pieces of equipment are submitted on the same application, the maximum grant amount of \$250,000 applies, so the maximum amount the applicant could receive is \$250,000. If the applicant submits separate applications for each piece of equipment, they could receive a \$135,000 grant for the used equipment and a \$210,000 grant for the new equipment, and they would have reached their 2 application limit.

Please note that the approval of one application does not guarantee the approval of a second application in this scenario. Each application will be assessed as a stand-alone submission that will be competing against all other applications submitted to the program for the same funding pool.

The principles of these application scenario examples apply to all the various minimum and maximum grant amounts, depending on the aim of your application. Special consideration of grant amounts may be given to an application at the sole discretion of the program administrator. Please contact a project coordinator for support by emailing: [forestryequipment@nsc.ca](mailto:forestryequipment@nsc.ca).

Not all applications will receive funding, and applicants are not guaranteed to receive the full amount of funding they have applied for. An EFEP Review Committee will review all applications with the goal of supporting as many applications as possible, while ensuring the advancement of ecological forestry in Nova Scotia.

## Eligibility criteria

To be considered for funding, applicants ***must meet all*** the following criteria:

- Conducting eligible business activities primarily from a permanent commercial establishment located within Nova Scotia, with equipment purchased for primary use in Nova Scotia.
- Qualification as an eligible beneficiary for funding from the Forestry Innovation Transition Trust, as outlined in the Trust Indenture at: <https://novascotia.ca/forestry-trust/>
- Registration within Nova Scotia as either a sole proprietorship, partnership, or corporation.
- Possession of an active CRA Business Number (BN), with no outstanding taxes.
- Engagement in ecological forestry-related activities as the primary focus of the business, accounting for at least 75% of revenue within the preceding 12-month period.

- Is not associated through common ownership with a business primarily involved in the secondary processing of forestry products, including sawmill operations or pulp mills.
- Must have completed NSCC's free online course: [Striving for Equity and Building Bridges](#)
- Must provide evidence of ecological harvesting competency.
- Must demonstrate harvesting experience highlighting completed ecological prescriptions.
- Must be registered with the [Forestry Safety Society of Nova Scotia](#).
- Must have a third-party safety audit and certificate.

Applicants can work individually or collaboratively. For collaborative projects, all applicants will be required to submit their own applications. Please contact a project coordinator for support at [forestryequipment@nsc.ca](mailto:forestryequipment@nsc.ca).

If your business is new or has not been in operation for at least 12 months, please contact a project coordinator for support by emailing: [forestryequipment@nsc.ca](mailto:forestryequipment@nsc.ca).

### Eligible equipment

To be considered for funding, equipment ***must meet all*** the following criteria:

- Equipment purchased on or after January 1, 2023 that meets the eligibility of the program.
- Equipment must be owned by the Applicant Entity. This includes capital leases.
- Used equipment should have operated for less than 15,000 hours at the time of purchase and must be a model year 2019 or newer.
- The purchase of retrofit equipment must increase the ability to support ecological forest management and reduce environmental impact.
- The purchase or retrofit of equipment must support the applicant's productivity and efficiency in implementing ecological forestry prescriptions in Nova Scotia.

# How to apply

All applications must be completed in full to be considered. If you have questions, please contact a project coordinator before submitting your application.

## Application requirements

The program application and supplemental documents for completion can be found here:  
<https://www.nsc.ca/forest/funding/equipment-grants/index.asp>

### All applicants must:

1. Complete the program application ([How to complete the application form](#)) provide the following supporting documents:
  - a. Applicant Entity's registers of shareholders/'partners' and individuals with significant control.
  - b. Applicant Entity's certificate of status issued by the Nova Scotia Registry of Joint Stock Companies.
  - c. Financial statements of the Applicant Entity for its most recently completed financial year prior to this application.
  - d. Document of Learning that shows completion of NSCC's free, online course [Striving for Equity and Building Bridges](#).
  - e. A screenshot of the Applicant's CRA My Business account showing no outstanding taxes payable.
  - f. A copy of the quote for purchase of the equipment from a dealership, or a copy of the [Private Equipment Purchase Form](#) for private sales.
  - g. A minimum of 4 (maximum 6) Harvesting Audits or Prescription Implementation Documents (PIDs).
  - h. Proof of registration with the [Forestry Safety Society of Nova Scotia](#).
  - i. Third-party safety audit and certification.
  - j. Completed [EFEP Grant Calculator](#) spreadsheet.
  - k. Any additional information that may be reasonably requested to evaluate your application.

## Application approval process

All applications will be evaluated through the following 3 stages of the review process:

1. Review by NSCC staff for application eligibility.
2. Review by the EFEP Review Committee.
3. Review by a third-party financial audit to ensure financial capacity.

*As part of our review of the application, certain background searches may be required to assess the applicant's status, including, without limitation, CRA, Labour Standards, Occupational Health and Safety, Registry of Joint Stock Companies, Litigation, Real Property Tax, Personal Property Security Act, Bank Act, Bankruptcy and Insolvency and Workers' Compensation (as applicable). To affect these searches, applicants may be required to execute and provide certain consent forms as attached to the application. The results of these background searches will be reviewed and considered with the application. Any liabilities or adverse search results considered material may result in rejection of an application.*

## Evaluation criteria

Applications will be measured against the following evaluation criteria:

- Confirmation of applicant eligibility.
- Alignment of the applicant with the EFEP's goals in supporting the shift to advance ecological forestry in Nova Scotia and supporting economic growth in the forestry sector.
- Financial stability and viability of the applicant.
- Contribution to increasing productivity in harvesting operations.
- Integration with ecological forestry principles and technologies.
- Equipment fleet enhancement or replacement.
- Cost-benefit and alignment with long-term objectives.
- Productivity measurement and tracking plan.

Applications will be evaluated against a [Scoring Rubric](#) with a total score of 100 potential points and fundable threshold of 50 points. Applications scoring above the fundable threshold will be considered for funding.

## Notice of approval

If an application is approved, applicants must provide the following additional documentation within two (2) months of notice of approval where applicable and requested. Our project coordinators will work with each successful applicant individually to generate the list of required documents:

- Proof of additional funding / financing source.
- Copy of appraisal of equipment for used equipment.
- Proof of purchase agreement.
- A final receipt with the necessary supporting information including receipted invoices (when available).
- Arrival date of equipment (when known).

## Grant requirements

Applicants who are successful in receiving a grant to purchase equipment must keep new equipment for 15,000 hours or three (3) years, and must keep used, renewed, or retrofitted equipment for two (2) years.

Grant recipients will be required to submit a report on equipment use to NSCC. NSCC may monitor, evaluate, or review equipment use to ensure compliance with approved applications. NSCC retains the right to check that successful applicants are still in possession of equipment purchased using grant funds according to the above requirements, and that the equipment is being used for the purpose that was described in the grant application. These checks will be done at a mutually agreeable location and with reasonable notice.

NSCC may ask to see a record of work done with the equipment for up to three (3) years following the date of the grant payment. Please note: this information is ONLY used to measure the success of the EFEP and will not be shared publicly.

If an applicant makes any false statements or misrepresentations in their application, NSCC may reclaim grants that the applicant has received.

# How to complete the application form

This section will guide you through completing the EFEP application form. Applications must be completed in full to be considered.

## Section 1: Applicant information

In this section, you will require:

- Personal and business information.
- The name and contact information of the Applicant Entity's signing authority.
- Operator training information.
- Details about your harvesting business operations.
- Financial information.

## Section 2: Equipment and ecological implementation information

In this section you will provide information about the equipment or retrofits for which you are applying for funding. If you are submitting a single application for more than one piece of equipment, please complete a [Supplemental Section 2 Form](#) and include it with your application documents.

For this section you will require:

- Information about the cost of equipment or retrofits
- Information about the intended use of the proposed equipment and how it will contribute to both your business sustainability goals and advancing ecological forestry.
- Information about whether the proposed equipment is intended to replace existing equipment or is net new to the business.
- Information about the vendor of the proposed equipment.

## Section 3: Knowledge and experience in ecological forestry practices

For this section you will require:

- A description of the applicant's knowledge of ecological forestry practices as described in Nova Scotia's [Silvicultural Guide to the Ecological Matrix](#).

## Section 4: Additional information

In this section you will provide any additional information relevant to your application.

## Section 5: Consent to use of personal information

In this section, you will review the consent and certification statements.

Print your name and title and sign the application. By signing, you are confirming that all information contained in the application form is accurate and complete.

# How to submit your application

Applications and supporting documents **can only be submitted via email**. Physical or paper copies of application packages will not be accepted. Submit your application and proposal, including all supporting documentation in a single email to [forestequipment@nsc.ca](mailto:forestequipment@nsc.ca). Please make the subject line: *Applicant business name* EFEP Application. For example, if your business name is "123 Harvesting", the subject line would be: **123 Harvesting EFEP Application**.



## Other considerations

Grant recipients in Nova Scotia should consider several tax implications when receiving grant funding. Recipients should consult with a tax professional or accountant for personalized advice. Here are some general tax implications to consider:

**Income tax:** grant funds received may be considered taxable income, depending on the nature of the grant and the recipient's tax status.

**Goods and Services Tax / Harmonized Sales Tax (GST / HST):** depending on the type of goods or services purchased with grant funds, recipients may be required to pay GST/HST on eligible expenses.

**Reporting requirements:** grant recipients may be required to report grant funds as income on their tax returns and provide documentation to support how the funds were used.

**Expense deductions:** recipients may be eligible to deduct certain expenses incurred in relation to the grant from their taxable income.