

QIA BENEFITS FUND POLICY

1. PURPOSE

1.1 The Benefits Policy is established pursuant to QIA's By-law #6 and the QIA Revenue Policy Article 5 and as such should be read in conjunction with the QIA Revenue Policy.

1.2 Consistent with the purpose of the QIA Revenue Policy, the Benefits Fund Policy aims to help fulfill the following QIA strategic initiatives:

- a) Promoting the cultural, economic, social and political interests of its members;
- b) Facilitating the preservation and strengthening of the Inuit language, traditions and beliefs;
- c) Promoting community diversity among the Inuit of the Qikiqtani Region while fostering unity of Inuit; and,
- d) Promoting community endeavours in the Qikiqtani Region.

2. DEFINITIONS

2.1 Except as defined in this Policy or as required by the context, a term or phrase used in this Policy has the same meaning as set forth in the *Nunavut Land Claims Agreement (NLCA)*.

2.2 For the purpose of this Policy:

"Annual General Meeting" or **"AGM"** as defined in the QIA By-law #6.

"Application Based Programs" are Benefits Fund Programs run by an individual or company external to QIA that apply for funding from the Benefits Fund. The Benefits Fund Committee reviews Application Based Programs before being approved.

"Benefits Fund" means the fund established by QIA pursuant to Article 5 of the Revenue Policy. For the purposes of QIA, financial statements the Benefits Fund will be reported within the Legacy Fund.

"Benefits Fund Committee" means the committee as described in Article 5.

"Benefits Fund Limit" means the limit of contributions to the capital of the Benefits Fund permitted in any one (1) year, and being the lessor of: the aggregate amount of two consecutive years of the Benefits Fund Target; or, Five Million (\$5,000,000) Dollars, as calculated and determined at the onset of each Fiscal Year.

"Benefits Fund Operational Procedures" means the document that further sets out the roles and responsibilities for the management and operations of the Benefits Fund.

"Benefits Fund Programs" mean the social or cultural programs of QIA that are funded through the Benefits Fund for the benefit of Enrolled Members.

"Benefits Fund Programs Report" is the report to the QIA Board that recommends Benefits Fund Programs to be funded for the next two (2) years.

“Benefits Fund Target” means the annual target amount of 4% of the Legacy Capital, which shall be calculated and adjusted annually following the release of audited financial statements. For the year beginning April 1, 2017, until the beginning of the next Fiscal Year, the Benefits Fund Target will be One Million (\$1,000,000) Dollars. The Benefits Target will be adjusted annually as defined by the formula and as detailed in Schedule 1.

“Benefits Revenue” means the revenue amounts received by the Benefits Fund on an annual basis as detailed in Article 5 of the Revenue Policy.

“Community Engagement” is an operational procedure describing engagement activities with Inuit in each of the 13 communities and their application to the operations of the Benefits Fund Policy.

“Delivered Programs” are Benefits Fund Programs that are either supportive and augment a current service or program, or may be a Program designed and delivered by QIA.

“Enrolled Member” means, at any time, an individual registered at that time on the Inuit Enrolment List maintained by Nunavut Tunngavik Inc. pursuant to Article 35 of the NLCA who has regularly resided in the Qikiqtani Region for a period of not less than a year in accordance with the “General Member” residency requirements set forth in QIA Restated By-law #5, subject to such by-law requirements being amended, replaced or restated from time to time.

“Executive Committee” means the individuals that form the Executive Committee of the QIA Board of Directors as defined in QIA By-law #5.

“Executive Director” means the most senior staff person at QIA who acts as the point of contact between the QIA Board of Directors, including the Executive Committee, and QIA’s operations.

“Extraordinary Resolution” has the meaning set forth in the *Societies Act* of Nunavut.

“Fiscal Year” means from April 1 to March 31 of the following calendar year or as defined in QIA’s financial policies.

“Initial Benefits Fund Contribution” has the meaning set forth in Article 3.1 and is the amount to be transferred to the Benefits Fund as per the approval of the QIA Revenue Policy.

“Inuit Enrolment List” means the list maintained by Nunavut Tunngavik Inc. in accordance with Article 35 of the NLCA.

“Key Theme” is a funding theme that guides Benefits Fund Program spending subject to Article 9; and, is determined by the QIA Board of Directors every two (2) years, unless otherwise stated in this policy.

“Key Theme Report” is the report tabled to the QIA Board at the QIA Annual General Meeting that summarizes the Community Engagement and Performance Evaluations into recommendations for setting the “Key Themes” for the next two (2) years.

“Legacy Capital” means the aggregate of (i) the Initial Legacy Fund Contribution to the Legacy Fund, (ii) all money and property of every nature and kind donated or conveyed or transferred to the Legacy Fund and, (iii) all income, returns and earnings from investments or assets within the Legacy Fund that is not otherwise transferred to the Benefits Fund pursuant to this Policy.

“**Legacy Fund**” means the fund established by QIA pursuant to Article 6 of the Revenue Policy.

“**NLCA**” or “**Nunavut Land Claims Agreement**” means the land claims agreement negotiated between the Government of Canada and representatives of the Inuit of Nunavut that was enacted pursuant to the *Nunavut Land Claims Agreement Act* of Canada, in 1993.

“**Opportunities Analysis**” is the review of impacts of a proposal to determine if the proposal should be recommended to be funded using the Opportunities Fund.

“**Opportunities Fund**” means the allotment of ten (10%) of the Benefits Fund Target that may be used as detailed in Article 12.

“**Operations Review**” means the review and possible amendment of operational items pursuant to Article 14 of the Revenue Policy and Article 15 of this policy.

“**Performance Evaluation**” means the annual review of the benefits delivered by Programs as further described in the Benefits Fund Operational Procedures.

“**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

“**Programs Manager**” is a position internal to QIA whose primary responsibility is to manage and facilitate the design of QIA programs.

“**Program Review**” is a project to be undertaken in the 2016 fiscal year to determine the Benefits Fund Programs that provide the optimal benefits for beneficiaries, using the Performance Evaluations. A main component of the Program Review will be its community engagement.

“**QIA**” means Qikiqtani Inuit Association, a not for profit body corporate subsisting pursuant to the Societies Act of Nunavut, and any successor thereto by way of continuation, amalgamation or other means.

“**Qikiqtani Inuit Association Board**” or “**QIA Board**” means the Qikiqtani Inuit Association Board of Directors as set out in the QIA by-laws relating generally to the conduct of the affairs of QIA.

“**QIA President**” means the elected officer of the Qikiqtani Inuit Association to the position of President.

“**Revenue Policy**” means the policy ratified at the QIA Annual General Meeting on October 5th, 2016.

3. INITIAL CONTRIBUTIONS

3.1 Subject to Article 3.2 of the QIA Revenue Policy, the Initial Benefits Fund Contribution of \$2,000,000 shall be paid into the Benefits Fund from the Economic Development Fund upon ratification of the QIA Revenue Policy.

4. BENEFITS FUND

4.1 The distribution of funds, being the total amount of money being deposited into and withdrawn from the Benefits Fund, shall be in accordance with the provisions of the QIA Revenue Policy.

4.2 For greater certainty, the maximum amount that may be allocated to QIA Programs per annum from the Benefits Fund is the Benefits Fund Target. Schedule 1 provides a pro forma Benefits Fund Index to assist in determining the annual Benefits Fund Target.

4.3 If there is no money available in the Benefits Fund due to reasons such as but not limited to no revenue and exhaustion on Benefits Fund money, the Benefits Fund will not be able to fund Benefits Fund Programs.

5. GOVERNANCE

5.1 The Benefits Fund Committee shall be comprised of up to (4) members. The Benefits Fund Committee shall be comprised of three (3) members chosen by the Executive Director, and one Executive Committee member selected by the Executive Committee.

5.2 Unless otherwise stated in this Policy, the Executive Director will provide final decisions on all administrative and operational matters of the Benefits Fund in conformity with the Benefits Fund Operational Procedures.

5.3 The Executive Committee member appointed by the Executive Committee shall act as the chair of the Benefits Fund Committee.

5.4 The QIA Executive Director shall provide oversight of the Benefits Fund Committee by receiving and responding to the recommendations of the Benefits Fund Committee.

5.5 The Benefits Fund Operational Procedures further describes the roles and responsibilities of the QIA Board, the Executive Committee, the Executive Director, the Benefits Fund Committee, and the Programs Manager regarding administrative and operational matters. Following the approval of this Policy by the QIA Board, the Benefits Fund Operational Procedures shall be approved by the Executive Committee.

5.6 In exercising their roles and authority under this Policy and the Benefits Fund Operational Procedures, the QIA Benefits Fund Committee members shall act honestly, in good faith and with the degree of care and prudence that a reasonable person in a similar position would exercise. More specifically, it is expected that these individuals, acting within the mandate of their duties, will 1) follow the requirements of this Policy and its associated Operational Procedures; and 2) request assistance when needed from relevant experts in the field.

6. PROCESS

6.1 The Key Theme(s) and Benefits Fund Programs will be decided through a seven (7) step process in the following order:

- a) Completion of Community Engagement subject to Article 7;
- b) Completion of Performance Evaluation subject to Article 8;
- c) Presentation of the Key Theme Report subject to Article 9;
- d) Selection of the Key Theme subject to Article 9;
- e) Presentation of Benefits Fund Programs Report subject to Article 10;
- f) Selection of the Benefits Fund Programs subject to Article 10.

6.2 The 2017 Program Review will act as the initial Performance Evaluation and Community Engagement step to inform the Key Themes Report, providing the required information for the QIA Board to select a Key Theme during the 2017 Fiscal Year. Following 2017, the next process to determine the Benefits Fund Programs will be performed in the 2019 fiscal year and every two (2) years thereafter.

6.3 The tasks to complete the steps in Article 6.1 will be further detailed in the Benefits Fund Operational Procedures.

7. COMMUNITY ENGAGEMENT

7.1 The purpose of Community Engagement in this Policy is to provide the opportunity to Enrolled Members to advise on the Key Theme(s) and suitable Benefits Fund Programs. For greater certainty, it is at QIA's discretion to select any or all the Key Themes or Benefits Fund Programs as advised through Community Engagement.

7.2 Community Engagement will be further detailed in the Benefits Fund Policy Operational Procedures.

7.3 The information gathered from Beneficiaries during Community Engagement Procedure will be included in the Key Theme Report.

8. PERFORMANCE EVALUATION

8.1 The purpose of the Performance Evaluation is to verify whether and to what degree Benefits Fund Programs are performing adequately to fulfill the purposes of this Policy. The Performance Evaluation will be included as a component of the Annual Report.

8.2 All Benefits Fund Programs will undergo a Performance Evaluation of the Benefits delivered during the previous Fiscal Year. All Benefits Fund Programs will be evaluated based on the objectives listed in Article 10.2. The Performance Evaluation for the previous Fiscal Year shall be completed no later than one quarter after the end of the Fiscal Year.

8.3 If a current Benefits Fund Program no longer needs support from the Benefits Fund or is no longer providing sufficient benefits, the Benefits Fund Committee may recommend to the QIA Board to remove the program from the Program List.

8.4 The Performance Evaluation will be performed annually as further detailed in the Benefits Fund Policy Operational Procedures.

9. KEY THEMES

9.1 The Key Themes are the area(s) identified by QIA to focus spending under the Benefits Policy.

9.2 The Key Themes shall be consistent with and aim to fulfill the QIA strategic objectives described in Article 1.1 of this Policy.

9.3 The Key Themes shall be selected by the QIA Board at the QIA Annual General Meeting to provide direction on the spending of the Benefits Fund.

9.4 The Key Theme Report shall be prepared by the Executive Director for the QIA Board and tabled at the Annual General Meeting.

9.5 The Key Theme Report shall include summaries of the Community Engagement and Performance Evaluations to inform the QIA Board on selecting a Key Theme. The Key Theme Report will also present recommended Key Themes for the consideration of the QIA Board. Recommendations may be informed by Community Engagement and Performance Evaluations.

9.6 There must always be at least one approved Key Theme but no more than two (2) at any one time.

9.7 If more than one Key Theme is selected, then the QIA Board shall rank each Key Theme.

9.8 Once selected, the Key Theme will be fixed for two (2) years unless otherwise directed by the QIA Board.

10. BENEFITS FUND PROGRAMS

10.1 All Benefits Fund Programs shall meet a Key Theme.

10.2 Benefits Fund Programs are required to meet the Key Theme and accomplish at least one of the following objectives:

- a) Positively benefit as many Enrolled Members as possible;
- b) Ensure equity and fair distribution of benefits within and between communities and across generations;
- c) Support Enrolled Members' economic self-sufficiency;
- d) A program's benefits reaching eventual self-sufficiency so that financial support from the Benefits Fund is no longer needed; and/or
- e) Make a significant and measurable contribution to a Qikiqtani community.

10.3 Benefits Fund Programs may augment but shall not duplicate or replace government expenditures or programs. As per Article 9.3 of the Revenue Policy, allocations and expenditures shall not be made by QIA in areas where government has primary responsibility except in exceptional circumstances and as approved by an Extraordinary Resolution of QIA's Voting Members passed at a general meeting of all the QIA membership called for the sole purpose of considering the proposed resolution.

10.4 The Benefits Fund Programs are divided into two categories:

- a) Delivered Programs; and
- b) Application Based Programs.

10.5 Delivered Programs are Benefits Fund Programs that either support and augment a current QIA service or program, or, may be a Program designed and then delivered by QIA or a designate under direction from QIA.

10.6 Application Based Programs are Benefits Fund Programs that are applied for and delivered by parties external to QIA. Application Based Programs are further detailed in Article 11.

10.7 The Benefits Fund Committee will draft the Benefits Fund Programs Report for the QIA Board Meeting proceeding the QIA Annual General Meeting.

10.8 The Benefits Fund Programs Report shall include

- a) The recommended Benefits Fund Programs that best deliver upon the Key Theme;
- b) The recommended division of funds for Delivered Programs and Application Based Programs;
- c) Known opportunities to leverage the Benefits Fund within the Key Theme to increase overall program spending on Enrolled Members;
- d) Anticipated budget for the recommended Benefits Fund Programs for the next two (2) years; and,
- e) Context and scope for the Application Based Programs, if applicable.

10.9 The QIA Board may approve the Benefits Fund Programs in the Benefits Fund Programs Report to be funded for the next two (2) years. For greater certainty, the QIA Board may choose not to approve all programs recommended in the Benefits Fund Programs Report.

10.10 Subject to Article 10.9, in the case the QIA Board approves no funding for Application Based Programs when selecting what Benefits Fund Programs to fund for the next two (2) years, QIA shall not fund any Application Based Programs for those two (2) years.

10.11 The Benefits Fund Programs will be funded for two (2) years, unless stated elsewhere in this Policy.

10.12 For greater certainty, for a program to be funded as a Benefits Fund Program, the QIA Board must approve its funding.

11. APPLICATION BASED PROGRAMS

11.1 Application Based Programs are programs run by persons external to QIA.

11.2 If the Benefits Fund Committee deems the application acceptable based on the criteria and context approved by the Board, the Benefits Fund Committee may approve that program to be funded by the Benefits Fund. For greater certainty, there must be money available to Application Based Programs for the Benefits Fund Committee to approve the funding of any Application Based Programs.

11.3 Enrolled Members and community-based organizations, including Hamlets, in the Qikiqtani Region are eligible to apply for Application Based Programs.

11.4 Government departments, academics, Designated Inuit Organizations, as well as for-profit organizations are only eligible for funding in partnership with one or more eligible applicants as described in Article 11.3. The partnership must demonstrate the authority Inuit have in project conception and delivery.

11.5 Application Based Programs must fit within the current Key Theme(s).

11.6 Applicants for Application Based Programs may leverage their own capital to support their application to the Benefits Fund.

11.7 In general, the following types of applications shall be excluded from Application Based Programs:

- a) Those from political organizations or campaigns;
- b) Those that are expressly for religious purposes;
- c) Operating expenses for established programs, or to cover existing capital deficits or debt repayment;
- d) Retroactive funding for programs or initiatives that are already completed or underway;
- e) Those that in the opinion of the Benefits Fund Committee are or may be seen to replace or execute operational responsibilities of the municipal, territorial or federal governments; or
- f) Those for which funding is available elsewhere.

12. OPPORTUNITIES FUND

12.1 The purpose of the Opportunities Fund is to provide QIA with the ability to act upon an opportunity to deliver benefits to Enrolled Members consistent with Article 1.2 of this policy without the requirement to align with the Key Theme(s).

12.2 QIA at any time may receive and review a proposal to use funds held within the Opportunities Fund. It is the duty of the Benefits Fund Committee to receive and review proposals before providing a recommendation to the Executive Committee.

12.3 The Benefits Fund Committee is not required to perform any of the steps listed in Article 6 to provide the recommendation for the Executive Committee to approve funding an Opportunities Fund proposal.

12.4 The Benefits Fund Committee shall include an Opportunities Analysis when providing a recommendation to the Executive Committee.

12.5 If the Executive Committee finds it appropriate and advisable, the Executive Committee may approve the recommendation for the Opportunities Fund to fund the proposal.

12.6 Opportunities Fund Programs will be graded for performance as further detailed in the Benefits Fund Operational Procedures.

13. BUDGET

13.1 Money may only be withdrawn from the Benefits Fund for funding Delivered Programs, Application Based Programs, and the Opportunities Fund. For greater certainty, money may not be withdrawn from the Benefits Fund for the operations or management of the Benefits Fund.

13.2 The QIA Board shall approve the two (2) year budget when deciding on the Benefits Fund Programs based on the Benefits Fund Programs Report. The Executive Director shall operate the Benefits Fund Programs within the approved budget.

13.3 Subject to Article 12, ten (10%) percent of the Benefits Fund Target will be retained for the Opportunities Fund. This reserve shall not accumulate and shall not be greater than ten (10%) of the Benefits Fund Target.

13.4 If additional money is available due to, but not limited to, being unallocated up to the Benefits Fund Target or unspent on Delivered Programs, the Benefits Fund Committee may recommend that the Executive Committee allocate the additional money to:

- a) Enhance the Opportunities Fund;
- b) Support Delivered Programs;
- c) Distributed to support Application Based Programs; or
- d) May be saved for use in subsequent years.

14. TRANSPARENCY

14.1 The Revenue Policy Annual Report, as described in Article 13 of the QIA Revenue Policy shall include the affairs and accounts of the Benefits Fund.

14.2 In addition to requirements in Article 13 of the QIA Revenue Policy, the Revenue Policy Annual Report shall include:

- a) A description of all QIA Benefits Fund Programs supported by the Benefits Fund in the previous Fiscal Year;
- b) The impact of all QIA Benefits Fund Programs supported by the Benefits Fund as assessed by the Performance Evaluations;
- c) A description of all allocations of the Opportunities Fund;
- d) A discussion of the changes in program funding from the year previous; and
- e) Any other information the QIA Board believes would be of interest to Enrolled Members and the public.

14.3 The Executive Director shall ensure that all necessary books and records of the Benefits Fund are properly kept, including proper books of account with respect to all sums of money received from the Legacy Fund, the assets and liabilities of the Benefits Fund, distributions made pursuant to Article 10, and all other transactions affecting the financial position of the Benefits Fund. All books and records shall be kept at such place in Nunavut as the Benefits Fund Committee directs.

14.4 A qualified External Auditor for the Legacy Fund shall be used to perform an annual audit on the Benefits Fund.

15. OPERATIONS REVIEW

15.1 As per Article 14 of the Revenue Policy, this Policy shall be reviewed by the Executive Committee every four (4) years for operational effectiveness. Notwithstanding the foregoing, the Executive Committee is not limited to an Operations Review only every four (4) years and may review their own performance at any time.

15.2 If the Executive Committee considers it appropriate, the Benefits Fund Committee shall recommend to the Executive Committee operational and/or policy changes and their relative anticipated impacts to the Benefits Fund. Recommendations shall be implemented in accordance with the direction of the Executive Committee.

15.3 The reporting obligations listed in Article 14.2 shall be reviewed during the Operations Review for effectiveness. The Benefits Fund Committee may recommend improvements to the QIA Executive Committee to revise Article 14.2 by amending the reporting requirements. For the purposes of this Policy a revised Article 14.2 will be applicable for the four (4) consecutive Fiscal Years thereafter. Notwithstanding the foregoing, reporting obligations may only be further clarified or added to the requirements listed in Article 14.2.

16. POLICY AMENDMENT

16.1 For operational amendments included in Article 15 of this Policy that do not substantially alter the purpose and financial provisions of this Policy, this Policy may be amended by the QIA Board.

16.2 Material amendments of this Policy, including the purpose and financial provisions, which are provided in the QIA Revenue Policy By-Law, require the additional approval and procedural requirements set out in the QIA Revenue Policy By-Law for major amendments or the termination and repeal of the Revenue Policy and QIA Revenue Policy By-Law.

Schedule 1 – Benefit Fund Index

Legacy Capital	Benefits Fund Limit	Benefits Fund Target
\$20,000,000	\$1,600,000	\$800,000
\$21,000,000	\$1,680,000	\$840,000
\$22,000,000	\$1,760,000	\$880,000
\$23,000,000	\$1,840,000	\$920,000
\$24,000,000	\$1,920,000	\$960,000
\$25,000,000	\$2,000,000	\$1,000,000
\$26,000,000	\$2,080,000	\$1,040,000
\$27,000,000	\$2,160,000	\$1,080,000
\$28,000,000	\$2,240,000	\$1,120,000
\$29,000,000	\$2,320,000	\$1,160,000
\$30,000,000	\$2,400,000	\$1,200,000
\$31,000,000	\$2,480,000	\$1,240,000
\$32,000,000	\$2,560,000	\$1,280,000
\$33,000,000	\$2,640,000	\$1,320,000
\$34,000,000	\$2,720,000	\$1,360,000
\$35,000,000	\$2,800,000	\$1,400,000
\$36,000,000	\$2,880,000	\$1,440,000
\$37,000,000	\$2,960,000	\$1,480,000
\$38,000,000	\$3,040,000	\$1,520,000
\$39,000,000	\$3,120,000	\$1,560,000
\$40,000,000	\$3,200,000	\$1,600,000
\$41,000,000	\$3,280,000	\$1,640,000
\$42,000,000	\$3,360,000	\$1,680,000
\$43,000,000	\$3,440,000	\$1,720,000
\$44,000,000	\$3,520,000	\$1,760,000
\$45,000,000	\$3,600,000	\$1,800,000
\$46,000,000	\$3,680,000	\$1,840,000
\$47,000,000	\$3,760,000	\$1,880,000
\$48,000,000	\$3,840,000	\$1,920,000
\$49,000,000	\$3,920,000	\$1,960,000
\$50,000,000	\$4,000,000	\$2,000,000
\$51,000,000	\$4,080,000	\$2,040,000
\$52,000,000	\$4,160,000	\$2,080,000
\$53,000,000	\$4,240,000	\$2,120,000
\$54,000,000	\$4,320,000	\$2,160,000

Legacy Capital	Benefits Fund Limit	Benefits Fund Target
\$55,000,000	\$4,400,000	\$2,200,000
\$56,000,000	\$4,480,000	\$2,240,000
\$57,000,000	\$4,560,000	\$2,280,000
\$58,000,000	\$4,640,000	\$2,320,000
\$59,000,000	\$4,720,000	\$2,360,000
\$60,000,000	\$4,800,000	\$2,400,000
\$61,000,000	\$4,880,000	\$2,440,000
\$62,000,000	\$4,960,000	\$2,480,000
\$63,000,000	\$5,000,000	\$2,520,000
\$64,000,000	\$5,000,000	\$2,560,000
\$65,000,000	\$5,000,000	\$2,600,000
\$66,000,000	\$5,000,000	\$2,640,000
\$67,000,000	\$5,000,000	\$2,680,000
\$68,000,000	\$5,000,000	\$2,720,000
\$69,000,000	\$5,000,000	\$2,760,000
\$70,000,000	\$5,000,000	\$2,800,000
\$71,000,000	\$5,000,000	\$2,840,000
\$72,000,000	\$5,000,000	\$2,880,000
\$73,000,000	\$5,000,000	\$2,920,000
\$74,000,000	\$5,000,000	\$2,960,000
\$75,000,000	\$5,000,000	\$3,000,000