



**Digital Research
Alliance** of Canada

**Alliance de recherche
numérique** du Canada

Program Guide for Contribution Funding

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Introduction

About the Digital Research Alliance of Canada

New digital technologies are creating massive quantities of data at an explosive rate, which is having a profound impact on the capacity of Canadian researchers to generate and contribute research that will be critical to Canada's future. To embrace this new world of possibility, Canada must build and sustain a strong and vibrant Digital Research Infrastructure (DRI) ecosystem.

The Digital Research Alliance of Canada (the Alliance) serves Canadian researchers, with the objective of advancing Canada's position as a leader in the knowledge economy on the international stage. By integrating, championing and funding the infrastructure and activities required for advanced research computing (ARC), research data management (RDM) and research software (RS), we provide the platform for the research community to access tools and services faster than ever before.

We have an ambitious mandate — to transform how research across all academic disciplines is organized, managed, stored and used. We work with other ecosystem partners and stakeholders across the country to help provide Canadian researchers with the support they need for leading-edge research excellence, research, innovation and advancement across all disciplines.

The Alliance's Guiding Principles are dedicated to being:

- Researcher-Centric;
- Service-Orientated;
- Accountable and Transparent;
- Striving for Excellence;
- Collaborative.

The Alliance is a non-profit organization and is funded by the Government of Canada.

Purpose of this guide

The Alliance's Program Guide for Contribution Funding details eligibility requirements, application and evaluation processes and the administration and oversight of projects that are awarded funding. These processes may be adapted as required based on internal assessments.

Funding Framework

The Alliance has a mandate to fund DRI expenses at a ratio of up to 60% from Innovation, Science and Economic Development Canada (ISED), and the remaining contributions coming from co-funders (including regional organizations, provincial governments, and higher education institutions). The Alliance contributes funds to Eligible Recipient Organizations (herein referred to as “eligible recipients”) for the purpose of payment of Eligible Costs which directly support the funded Eligible Activities.

Conditions and details of funded projects including the costs, matching contributions and deliverables are documented in the agreements the Alliance forms with eligible institutions (not individual researchers).

The Alliance does not accept proposals to be funded outside of a formal funding call.

Funded Organizations

The Alliance provides funding to partner organizations who provide national services and/or support activities that comprise the National DRI platform.

Eligible Funding

To support its mandate of increasing the capacity of Canadian researchers to undertake world-class research and technology development, the Alliance provides funding to support the DRI.

Unless stated otherwise, all applications for funding must include co-funding from the recipient. The recipient can raise co-funding from Eligible Partners as described in the Financial Management Guide Section 2.2.2.

No funding shall be disbursed without receipt of proof of cost-matching.

Eligible partners

The list of eligible partners for matching contributions is consolidated by comparing the eligibility of partners across multiple ISED-funded programs, and from the different consultations the Alliance has led to date. The list of eligible partners includes:

Private Sector

- ∉ Public or private for-profit companies operating legally in Canada with more than two full-time employees (including corporations, venture capital and other investment funds and other forms of limited partnerships)
- ∉ Industry consortia

Public Sector

- ∉ Municipalities and local or regional governments established by or under provincial or territorial statute
- ∉ Provincial/territorial government ministries
- ∉ Federal government departments, other than ISED
- ∉ Indigenous organizations
- ∉ Public utilities
- ∉ Crown corporations
- ∉ Consortia with the majority of their funding originating from government sources

Not-for-profit

- ∉ Post-secondary institutions (e.g., CEGEPs, Colleges, Universities)
- ∉ Hospitals and medical/clinical research institutes and their Foundations
- ∉ Research institutes or organizations
- ∉ Foreign not-for-profit organizations that are legally able to operate within Canada and fund activities that occur within Canada
- ∉ Museums and Libraries
- ∉ Registered charities and philanthropic organizations (e.g., Foundations)

The list of ineligible partners include:

- Canadian Institutes of Health Research (CIHR)
- Natural Sciences and Engineering Research Council (NSERC)
- Social Sciences and Humanities Research Council (SSHRC)
- Federal funding and programs administered by the three federal research funding agencies (e.g., Networks of Centres of Excellence, Canada Research Chairs, Research Support Fund, College and Community Innovation Program, Canada First Research Excellence Fund and New Frontiers in Research Fund)
- Knowledge Infrastructure Program and Post-Secondary Institutions Strategic Investment Fund (SIF)
- Organizations, agencies or institutes funded by ISED, unless otherwise approved by ISED.

Eligible Costs

The Alliance issues funding calls, the form of which may vary according to the program and project scope. Regardless of the type of funding call, an application will require a budget that outlines **expenses** and **contributions**. This budget needs to be completed using the template provided as part of the funding call documentation.

Eligible Expenses

The Alliance adheres to the cost eligibility framework of the Canadian Foundation for Innovation (CFI).

The following table outlines the most common eligible expenses for two types of funding: operating and infrastructure. Additional details can be found here:

<https://www.innovation.ca/sites/default/files/2023-03/CFI-PPG-2023.pdf>

Eligible expenses can be found in the Financial Administrative Guide Section 2.1.1

Overview of Eligible Operating and Infrastructure Costs

Ref	Nature	Description	Operating	Infrastructure
1	Personnel			
1A	Salaries	Salaries of scientific, professional, technical, and administrative personnel directly involved in the provision of DRI services (e.g., RDM, RS, or ARC operations, cybersecurity, research support, training) or the procurement, installation, configuration of infrastructure. This includes teams at the national, regional and local levels who are directly connected to supporting a DRI service identified in the national DRI strategy.	✓	✓
1B	Benefits	Fringe benefit costs as charged by the host institutions, up to a maximum of 22% of eligible direct labour costs. This figure is aligned to the terms and conditions within the contribution agreement. It applies to all staff in line item 1A.	✓	✓

Ref	Nature	Description	Operating	Infrastructure
2	Equipment and infrastructure			
2A	Digital research infrastructure and equipment	<p>Including, but not limited to:</p> <ul style="list-style-type: none"> € Capacity or throughput computing. € Capability computing supporting tightly coupled, fine-grained applications. € Computing using specialized accelerators including GPU-CPU and others. € Cloud computing. € Shared memory systems. € Systems supporting very large memory requirements. € Storage (active and repository) that optimizes existing costs or provides capacity to the national research community to meet existing or imminent demand. € High performance visualization systems. € Systems suitable for computational steering and interactive use. € Associated implementation costs. 	X	✓
2B	Communications infrastructure	<p>Network infrastructure required to connect the research infrastructure and equipment to telecommunication and/or networking services.</p> <p><i>These costs are mutually exclusive with the costs of a similar nature under CANARIE's responsibility.</i></p>	X	✓
2C	Furniture	Furniture required to make work possible.	X	✓
2D	Construction or renovation	Construction or renovation of space essential to house and use the infrastructure.	X	✓
2E	Shipping, transportation and installation	Directly related to infrastructure and equipment, including brokerage fees, excise taxes and duties.	X	✓

Ref	Nature	Description	Operating	Infrastructure
3	Maintenance and repairs			
3A	Extended warranties	Extended warranties for infrastructure and equipment.	✓	✓
3B	Service contracts	Fees for services as specified in service contracts for infrastructure and equipment.	✓	✓
3C	Replacement parts	As required, to maintain operational capacity.	✓	✓
3D	Minor upgrades	As required, to maintain operational capacity.	✓	✓
3E	Supplies and consumables	Miscellaneous supplies and small items e.g., UPS, tape, cables, etc.	✓	✓
Ref	Nature	Description	Operating	Infrastructure
4	Services			
4A	Consultants and contractors	Actual cost of consultants and contractors directly involved in the activities related to the provision of DRI services (e.g., RDM, RS, or ARC operations, cybersecurity, research support, training) or the procurement, installation and configuration of infrastructure.	✓	✓
4B	Software subscriptions and licenses	Monthly or annual fees for subscriptions and licenses.	✓	✓
4C	Commercial cloud services	Usage fees resulting from the use of commercial cloud services for computing, storage, etc. e.g., Microsoft Azure, Amazon Web Services, etc.	✓	✗

4D	Utilities and related services	Utilities and related services directly involved in the function. e.g. electricity, cleaning, security.	✓	✗
4E	Telecommunications and networking	Monthly or annual fees for internet, cable or satellite services.	✓	✗
4F	Insurance costs	Insurance premiums for funded infrastructure.	✓	✗
4G	Regulatory compliance costs	Costs incurred to meet compliance requirements. e.g., certification, compliance audits, etc.	✓	✗
4H	Training and professional development	Including: <ul style="list-style-type: none"> € Initial and continued training related to the infrastructure € Statutory training, regulatory specified training (e.g. environment, health and safety) and associated certification costs € Professional development to maintain skills and expertise € Travel costs related to the above 	✓	✓
Ref	Nature	Description	Operating	Infrastructure
5	General and administration (up to a maximum of 10% of the total project expenses)			
5A	Audit fees	Costs incurred for audit services.	✓	✗
5B	Travel	Including: <ul style="list-style-type: none"> € Travel for management and coordination purposes (i.e. internal facing) € Travel for procurement purposes (to a manufacturer, dealer or supplier to select research infrastructure) 	✓	✓

		Travel for outreach purposes (i.e. external facing)		
5C	Networking events for users	Costs incurred to hold events allowing users of a given service to share information, new developments, best practices, etc.	✓	✗
5D	Communications, outreach, and communication platforms	Costs attributed to the dissemination of information such as promotion, publications or website development.	✓	✗
5E	Office supplies	Consumables used for administrative purposes.	✓	✗

Note: GST, HST and provincial taxes (net of credits or rebates to be received by the recipient institution) may be included as eligible expenses.

Ineligible expenses

Ineligible expenses include:

- retroactive costs, that is, costs incurred prior to the effective date of an agreement for a specific project
- routine administration and operating costs of the recipient
- costs associated with the construction of, or major renovation to, any building and structures of the recipient
- purchase or lease of real property
- mark-up or any amount in excess of the fair market value
- notional taxes on non-monetary contributions.

Contributions

An agreement will be executed between the Alliance and the recipient institution prior to the start of the approved project. This agreement will include, amongst other things:

- A budget that outlines the sources of contributions and planned costs (at a sufficiently granular level).
- Financial reporting requirements for the recipient, both during the project and after the project are completed.
- Documentation requirements to support the reports provided.
- Provisions providing the right to audit the use of funds.

Alliance contributions can only be used to pay for eligible costs, as defined above.

Matching contributions

The Alliance has a mandate to fund DRI expenses at a ratio of 60% from ISED through the Alliance, and 40% from co-funders (including regional organizations, provincial governments, and higher education institutions). To achieve this mandate, the Alliance applies different funding ratios to the funding calls it issues, depending on the type of funding (infrastructure or operating) and the layer (national, regional, local).

To be considered eligible, matching contributions must meet both the following criteria:

- be used to pay for eligible costs
- be provided by eligible partners

Matching contributions may be either monetary (cash or actual costs including employee salaries) or non-monetary (“in-kind”).

Non-monetary contributions

The Alliance recognizes eligible items involving non-monetary contributions at fair market value (“FMV”, see definition below). It is the responsibility of the institution to ensure that the FMV reported to the Alliance for such items is reasonable.

The institution may request consideration of a non-monetary contribution by suppliers but should not ask for a specific amount or percentage, since this is to be provided by the supplier on a voluntary basis. The Alliance does not endorse the procurement of items that results in an overestimation of the value of the item and of the non-monetary contribution. The institution must exercise careful judgment, recognizing the risk of overestimation in certain instances, and ensure that non-monetary contributions reported to the Alliance are real and properly valued.

The Alliance reserves the right to make the final determination of eligibility and value for items involving non-monetary contributions, to disallow expenditures and to reduce the Alliance award. To avoid a situation where these items may later be deemed ineligible or incorrectly valued, the institution is encouraged to contact the Alliance early in the process if it foresees a problem in complying with the guidelines.

Taxes associated with the cash portion of an item involving a non-monetary contribution, net of any rebate received, can be included in the eligible cost reported to the Alliance. Taxes must not be calculated and reported for the portion of the item considered a non-monetary contribution.

Definitions

Fair market value: the agreed-upon price in an open and unrestricted market between knowledgeable and willing parties dealing at arm’s length who are fully informed and not compelled to transact. The fair market value is the price an institution would be expected to pay in such circumstances after normal and educational discounts but prior to any discount offered as a contribution toward an Alliance-funded project. The fair market value is the eligible expense for an item.

Normal discount: the discount a supplier would normally offer to an institution, taking into consideration factors such as the institution's current volume of transactions and location. A discount for early settlement or for settlement in cash is considered a normal discount.

Educational discount: the discount offered to an institution due to its educational status.

Net selling price: the cash consideration paid or payable by an institution.

Eligible non-monetary contribution: a non-monetary resource that an external partner offers as a contribution toward an Alliance-funded project. It may include the value, in whole or in part, of eligible capital items or non-capital items that are needed for the project. The eligible non-monetary contribution is equal to the fair market value of the item less the net selling price (if any).

Call for Proposal (CFP) Lifecycle

A CFP is designed to collect information needed to assess merit, feasibility and compliance with the Alliance's organizational and external policies and agreements. The processes detailed below are to ensure that these criteria are met to execute awarded funds.

Application Process

CFP Announcement

Funding calls are announced to members on the Alliance's communication channels, in both official languages. An Invitation to Respond will be sent directly to eligible institutions for invitational calls.

The CFP Announcement includes all pertinent information and requirements for an eligible recipient to assess their eligibility, competency, and interest in the funding opportunity prior to starting their application process.

Information Sessions

An optional Information Session, hosted in both official languages, will be provided shortly after the launch of the CFP. The purpose of the Information Session is to provide general information to eligible recipients on the objectives of the call, eligibility, deadlines and to provide an opportunity to address any inquiries.

Questions submitted by Eligible Recipients

Eligible recipients must submit their questions to (funding-subventions@alliancecan.ca). All questions and answers should be posted at least 2 weeks prior to closing date to submit applications. This will provide eligible recipients sufficient time to revise their application if required.

Frequently Asked Questions (FAQ) will be made available to minimize the repetition of the same type of question being received by the Alliance.

Submission of Applications

An application package will be made available to eligible recipients. This will include a copy of the application form, instructions/program guide and assessment criteria. Depending on the call, an application form should be completed by the eligible institution who will receive funding, the application **must be submitted and signed by an authorized institutional authority** by the indicated deadline. Applications will not be considered if received after the deadline or outside of the identified submission channel(s).

For projects that involve two or more eligible institutions the application must identify the lead institution. The Alliance will enter into a single agreement with the lead institution, see below for further details on multi-institutional projects.

Foundational Principles that must be demonstrated in an Application

The following are foundational principles for evaluating a response to a CFP:

- a. Project Alignment: The proposed project aligns with the objective of the call as well as demonstrate how the investment will contribute to the national DRI ecosystem and advance the national DRI Strategy
- b. Feasibility: The project plan must provide details of activities as to how to achieve success. Eligible recipients must demonstrate feasibility through the consideration and applications of:
 - i. Timelines, milestones including dependencies, assumptions, risks and mitigation strategies
 - ii. EDIA principles (if applicable)
 - iii. Data Sovereignty and other principles related to DRI (as applicable)
 - iv. Team members expertise, resourcing and KPIs
- c. Value for Money and matching contributions: Expenses are appropriate and commensurate with the scope of the project. Application has demonstrated a realistic and achievable plan to secure matching contributions.
- d. Sustainability Plan of project: Application demonstrates how the project could be sustained outside of the funding window and how it can be scaled to a national level or be applied across disciplines.
- e. Mandatory requirements: Project-specific specifications that are required to be met by the eligible recipient including the application of appropriate cybersecurity policies and measures to the proposed project.

Authorized Signatory

The authorized signatory is authorized to sign and submit the letters confirming the submission of Notices of Intent, proposals and award agreements. The authorized signatory is also authorized to submit Letters of Intent, proposals, award finalization forms and project progress reports.

Multi-Institutional Projects

For projects that involve two or more eligible institutions sharing the Alliance funding, including instances when the funding is transferred entirely to another institution (e.g. affiliated entity), the applicant institution may choose to become the recipient institution for the award with responsibility for receiving and administering the funds or it may request in writing that this responsibility be transferred to another participating institution. In the latter case, the other institution will then become the recipient institution for the award and must submit the award finalization documents.

The recipient institution shall be responsible for:

- submitting to the Alliance a copy of the signed inter-institutional agreement. At minimum, the agreement should state:
 - the institution that will act as the administrative centre for the project
 - the roles and responsibilities of each institution for the infrastructure project
 - the long-term operating and maintenance plan for the infrastructure
 - the fund-sharing agreement between the institutions, including any infrastructure operating funds
 - the current plan for access to the infrastructure
- ensuring that all participating institutions are knowledgeable of Alliance's guidelines with respect to the administration of Alliance awards, as well as the required supporting documentation
- receiving funds and making payments to other participating institutions as per the inter-institutional agreement
- ensuring that distribution of funds is made only to institutions that have been ruled as eligible by the Alliance
- ensuring that only institutions that have been ruled as eligible by the Alliance will exercise de facto control over and hold a majority interest in the Alliance-funded infrastructure (if applicable)
- preparing consolidated financial reports and project progress reports
- liaising with the Alliance for change requests and notifications and addressing other issues, as required
- coordinating audit work in the event that the project is audited (e.g. obtaining transaction details and supporting documentation, resolving issues)
- having adequate oversight processes and controls to ensure proper management of Alliance funds at participating institutions in the event that the inter-institutional agreement does not transfer this responsibility to the participating institutions.

The recipient institution will be the institution ultimately accountable for the award, and thus may want to consider including clauses in the inter-institutional agreement to mitigate risk and provide recourse.

Application Review Process

Responses to CFPs are awarded through a review process designed to ensure the highest standards of excellence and impartiality.

Each CFP has specific key objectives and assessment criteria. Eligible recipients must demonstrate how the project satisfies the requirements outlined for each assessment criterion or call objective.

Depending on the type of call, the Alliance will use one of, or a combination of, different types of reviews, including internal reviews and/or external committees for eligibility, merit and feasibility. Individuals participating on the merit-review committee (external reviewers as well as the Chair and co-Chair) must take relevant training related to the call.

LOI Review

The LOI stage is to determine if the application is eligible for funding based on alignment with the funding call's objectives, budget, and institutional and co-funding eligibility. These submissions will not be scored on merit. They will be reviewed by internal and external members where internal members will review for eligibility, external reviewers will determine project eligibility. Applications that meet eligibility criteria will be invited to submit a full proposal.

Full proposal review

Full proposals will provide more detail on projects submitted for funding, including: plans to secure co-funding, address EDIA principles, data sovereignty, plans to scale projects to a national level and increase accessibility to Canadian researchers. Review of full proposals will be based on:

- Merit: including project alignment, scalability, sustainability and application of other relevant principles,
- Feasibility: scoring on project plan, risk mitigation, budget rationale and expertise of the project team. An internal review of budgets and plans to secure matching contributions will also be conducted. Eligible recipients must indicate how they will secure the matching contributions during the lifecycle of the funding and provide agreements with or letters from partner organizations. Note: Internal review may provide feedback to the applicant if adjustments/clarifications are required.
- Overall progressive impact to the DRI ecosystem.

Reviewers

External reviewers are subject matter experts (SMEs) in the DRI fields who volunteer their time to assist the Alliance's merit review processes. They are enlisted based on individual experience and expertise, and do not represent particular institutions. The Alliance seeks to ensure a diversity of perspectives by including SMEs from across Canada, different disciplines and institutions. A continuous recruitment campaign is conducted to ensure that the Alliance has sufficient external Merit-Review Committee Members, proficient in either official language, available to participate in future funding calls.

Reviewers will be required to sign non-disclosure agreements, indicate and document any real, perceived or potential conflicts of interest and complete relevant training. Reviewers are responsible for assessing responses to the CFP based on the provided evaluation criteria and will provide written feedback, scores or comments to justify their evaluation. Reviewer feedback will be provided to an applicant upon request, post-announcement of awards.

Evaluation Process

Eligible applicants must demonstrate in their proposal how the project satisfies the requirements outlined in each assessment criterion.

Stage 1

Upon receipt of the proposal, the Alliance will conduct an administrative review to ensure completeness, eligibility and readiness for review.

Stage 2

After receipt of Declaration of Conflict of Interest and completed NDAs from review committee members, reviewers will be assigned applications to review, score and add comments.

Once the reviews are completed by the set deadline, all of the reviewers' scores and/or comments are submitted to the Alliance for compilation.

Stage 3

The Alliance can conduct stage 3 either by:

- a. Hosting a consensus meeting with all reviewers to review the scores and comments and to rank applications; or
- b. Review the scores and rank the applications without input from the review committee members.

Consensus meetings will be used to discuss applications, reconcile scores with large discrepancies and to create a shortlist of applications to recommend for award. Depending on the objectives of the call, secondary evaluations/scoring may be used.

Notice of Award

All eligible recipients will receive a notice regarding the funding status of their application. Eligible recipients will have the opportunity to request specific feedback on their application up to one month post-announcement.

Institutional Agreement

For each approved project, the Alliance prepares a funding agreement with the recipient institution. An authorized person representing the institution is required to sign the agreement, thereby accepting the terms and conditions of the funding.

The award agreement indicates the program and project descriptions, deliverables and milestones for the project as well as any additional conditions of funding. The agreement also includes the maximum Alliance contribution (in absolute value and as a percentage of the total

project value), payment schedule, and financial reporting requirements which vary depending on the size and complexity of the project.

The final amount and instalment schedule for an approved project is determined when the eligible recipient provides the Alliance with the following documents:

1. an updated budget (if required)
2. supporting documentation for the matching contributions
3. for items involving a non-monetary contribution in excess of \$100,000, supporting documentation for the valuation
4. for projects involving multiple institutions, an inter-institutional agreement or other relevant documentation.

Updated budget

An updated budget is required at the award finalization stage if one or more of the following occur:

- the Alliance has requested that an updated budget be submitted. This will typically be the case when items need to be removed or amended as per the funding decision.
- there are changes to the project that require prior Alliance approval. The institution must obtain prior Alliance approval for:
 - any change having a negative impact on a project and its objectives, regardless of the cost implications
 - any increase or decrease in expenses in excess of \$100,000
 - any change in the sources of matching contributions.

If an updated budget is required:

- any proposed changes to the original scope must be indicated
- updated cost estimates should be obtained only if the institution suspects that the cost for an item stated in the proposal has changed significantly¹.

Supporting documentation for the matching contributions

Agreements or letters confirming the amount to be contributed and the conditions of funding (if any) are required for each source of matching contributions.

Non-monetary contributions in excess of \$100,000

The Alliance recognizes eligible items involving non-monetary contributions at their FMV at the time of transfer of ownership to the institution, assuming this value can be reasonably determined and supported by documentation. In some cases, the FMV of the item is known. In other cases, the value must be assessed using commonly accepted methods (e.g. depreciated

¹ The updated cost estimate should reflect the expected purchase price. The full estimated cost of all eligible items must be presented, even if it exceeds the cost reported to the Alliance in the proposal. The institution must keep on file supporting documentation for updated cost estimates and provide them upon request. Supporting documentation may include, for example, recent educational price lists, quotes, price information requests or bids resulting from a competitive process when a purchase is imminent and such a process has already been undertaken.

value). For datasets that are not otherwise sold to third parties, the institution can report only the incremental cost to customize the dataset. Similarly, for one-of-a-kind items not regularly sold, the institution should report only the incremental manufacturing cost, unless a FMV can be reasonably established.

It is the responsibility of the institution to ensure that the FMV reported to the Alliance for items involving non-monetary contributions is reasonable. The institution must take into account the substance of each transaction and assess whether the amount of the non-monetary contribution is just under the given circumstances. The institution should contact the Alliance if it is unable to establish the FMV of an item involving a non-monetary contribution.

A higher level of due diligence is required if the non-monetary contribution is significant. For all items involving a non-monetary contribution in excess of \$100,000, the institution must corroborate the price confirmed by the contributor or the supplier with other sources of information to formally assess the FMV. This may involve, for example, performing a market comparison, a comparison with previous purchases at the institution or by other institutions, or an appraisal by a third party. It is possible that the information required to perform the assessment may not be readily available at the institution. The institution should seek the expertise of its purchasing or supply management departments. If a third-party appraisal is required, the institution must contact the Alliance.

The institution must provide the Alliance with a description of the valuation method used and the assessment itself. The institution must keep all supporting documentation for this assessment (e.g. bids, invoices for similar purchases) on file for audit purposes so that it is available upon request.

The Alliance ensures that the methodology used by the institution is sound and will perform a review of the assessment. Any concerns will be communicated to the institution.

Non-monetary contributions from suppliers

To help establish the FMV of an item involving a non-monetary contribution provided by a supplier, the institution should obtain from the supplier a confirmation of the price that would have normally been charged to the institution for the item or service (i.e. the price after normal and educational discounts but prior to any discount offered as a contribution toward the Alliance-funded project). The institution should also consider other readily available information such as, for example:

- other bids that have been received as part of a competitive bid process and that provide useful market comparisons
- the cash consideration paid in a previous purchase of the same (or similar) infrastructure item where the purchase was not related to an Alliance-funded project and did not involve a non-monetary contribution the institution's experience with a supplier's discount structure

Award finalization deadline

The recipient institution must submit its signed copy of the Contribution Agreement to the Alliance within 10 working days of receiving the Notice of Award. The Alliance may grant an extension if a strong rationale is provided.

In exceptional circumstances, such as complex and longer-duration projects, the Alliance may finalize the award in stages.

Release of funding

The Alliance releases funding to the recipient institution once:

1. all finalization documents have been received and satisfactorily reviewed;
2. any specific conditions have been addressed; and
3. the funding agreement has been executed by all parties.

Payments to the institution are subject to the Alliance receiving funding from the Government of Canada, which is subject to sufficient parliamentary appropriations. The Alliance reserves the right to defer or suspend payments if transfers received from the Government of Canada are reduced or cancelled due to insufficient parliamentary appropriations.

Payments by the Alliance to the institution are also subject to Alliance management review and authorization, and the fulfilment of any condition that may be applicable to the payments. The Alliance reserves the right to defer or suspend payments if an institution fails to comply with any of the terms or conditions agreed upon, or if the need for funds is not demonstrated.

The Alliance sends funds only to the recipient institution. For multi-institutional projects, the recipient institution is responsible for receiving and distributing the funds to other participating institutions according to the terms of the inter-institutional agreement.

The Alliance makes electronic deposits to a pre-arranged bank account, and sends the account administrator a payment notification via email.

Payment schedule

Payments are usually made on a quarterly basis; however, semi-annual or annual payments are also possible depending on the significance of the award. In any given fiscal year, the Alliance contribution normally does not exceed the maximum allowable Alliance funding share of the cumulative total eligible costs to the end of that year. Instalments are based on the forecasted disbursements provided by the institution upon award finalization and may be revised following the Alliance's review of the information submitted by the institution in financial reports.

The Alliance will withhold all payments when an institution does not comply with reporting requirements.

Holdback

The Alliance advances up to 90% of the award amount during the life of the project. The remaining 10% is normally released after receipt and approval of the final financial report.

The purpose of the holdback is to ensure that the Alliance's contribution remains as close as possible to the maximum allowable Alliance funding share of eligible costs.

The mechanism for the calculation of the final instalment is described in the *Financial Management Guide*, section 4.3.3. *Content of final financial report*.

Final disbursement

The final disbursement for the holdback is made after the project is completed and the final financial report has been received and is to the satisfaction of the Alliance. The final Alliance contribution is limited to the maximum allowable Alliance funding share of eligible costs (usually 60%) or the maximum Alliance amount, whichever is lower.

Increasing the maximum contribution amount

The Alliance will not increase its contribution to a project. For added clarity: there will not be any increases due to fluctuations in exchange rates, the price of commodities or inflation.

Appeal process

The Alliance is committed to the integrity of its merit review processes. The merit review process includes an appeal process for all eligible applicants. Eligible applicants can ask that a funding decision be reconsidered where evidence suggests an error occurred during the Alliance's merit review process that resulted in an unsuccessful application.

Decisions not to fund an application can be appealed only where there is evidence of an error in the Alliance's merit review process such as undeclared conflicts of interest or the committee did not review all the information provided in the application. Appeals can be submitted only by the applicant names in the application.

Types of appeals that will not be accepted:

- Decisions pertaining to applicant, subject matter or program eligibility;
- A difference in scholarly opinion between adjudication committee members and/or external assessors;
- Disagreement over the interpretation or analysis of facts by adjudication committee members and/or external assessors;
- The contents of an external assessment, unless it contains unprofessional, discriminatory or biased comments from which the adjudication committee did not distance itself;
- The number of external assessments;
- The composition of an adjudication committee; or
- The amount awarded.

Decisions on appeals are final.

Procedure for Submitting an Appeal

Eligible recipients seeking further information about the review of their application are strongly encouraged to **first** communicate with the Alliance at funding-subventions@alliancecan.ca. If the applicant wishes to pursue an appeal after initial discussion with program staff and has the necessary evidence of an error as outlined above, the applicant can submit a formal letter of appeal to the Alliance.

The appeal should be based on a compelling demonstration that an error has occurred in the merit review process.

Appeals must be submitted in writing by email no later than 65 calendar days after the date indicated on the applicant's decision letter. Appeal letter must be **no more than two pages**. The Alliance staff will ask appellants if additional information is needed to process the appeal request. Appellants cannot submit with their appeal supporting documents that were not included in the original application.

The Alliance's appeal process upholds the principles of merit review. The appeal process is managed by individuals who were not involved in the original management or review of the application, specifically, by employees in the office of the Vice-President of Strategy and Planning.

Once an appeal is received, The Alliance determines whether there are grounds for appeal.

1. Strategy and Planning employees acknowledge receipt of the appeal.
2. Strategy and Planning employees analyze the appeal and, where applicable, the Alliance documents relating to the application and its review.
3. The Vice-President of Strategy and Planning makes a final decision as to whether there are grounds for appeal.
 - a. If there are no grounds for appeal, the Alliance notifies the appellant and the file is closed.
 - b. If there are grounds for appeal, the appeal is referred to an Appeals Committee.

Appeals Committee reviews the error(s)

The Appeals Committee determines the potential impact of the error(s) on the score of the application.

Appeals Committee members are former Alliance adjudication committee Chairs or members who are well versed in the Alliance merit review process. The committee cannot include individuals who were involved in making the original funding recommendation to the Alliance and/or individuals who would be in a conflict of interest with the appellant.

The committee reviews the documentation provided to the original adjudication committee, feedback provided to the appellant, and the appellant's letter of appeal. The committee will assess the impact of the identified error(s) on the adjudication and scoring of the application.

Appeals Committee makes a recommendation

Based on its review of the documents, the committee will provide a recommendation to the Vice-President of Strategy and Planning, on whether the error(s) affected the scores.

- Scores remain unchanged if the committee determines the errors did not affect the scores; **or**
- The committee recommends new score(s) if it determines the errors did affect the original score(s).

A decision to change the score of an application does not necessarily result in funds being awarded. Funding will still depend on factors such as the final ranking of the application.

The Appeals Committee normally meets quarterly. Appeals are normally resolved within three to four months from the time the Alliance receives them.

Successful appeals for applications to funding opportunities that support time sensitive events or activities are handled on a case-by-case basis. The Alliance will determine whether the resulting funding would be appropriate and feasible. The Alliance advises appellants of appeal results in writing.

Management and oversight of Alliance awards

The recipient institution is responsible for the timely implementation of each Alliance-funded project. For projects involving capital expenses, the recipient institution is also responsible for the operation and maintenance of the infrastructure over its useful life. In all cases, the recipient institution must ensure that funds are properly managed and that it complies with the terms of the funding agreement.

The Alliance, for its part, monitors awards to ensure that projects are implemented properly and funding is spent appropriately so that expected outcomes can be achieved. The Alliance also provides guidelines to assist the institution with the implementation of its projects and with the administration of the funding received.

Both the Alliance and the institution perform various oversight activities. The nature and extent of the Alliance's oversight activities are tailored to the risks facing each institution and project. The risks associated with Alliance-funded projects vary greatly from one project to the next. Project-related risks identified from an Alliance perspective and from an institutional perspective may be similar or may differ significantly. Continued collaboration between the Alliance and the institution to discuss project-related risks is critical to ensuring successful and timely project implementation. Oversight activities may include, for example, project-implementation meetings, financial reporting, project status reports, audits and other ad hoc activities. These activities are customized to each project to help ensure that the risks identified are being managed adequately.

Alliance oversight framework

The Alliance has implemented an oversight framework that may include, but not be limited to:

- Project touch-point meetings with Principal Investigators (“PI”) to ensure that the PIs are not experiencing any roadblocks or delays in meeting their project objectives;
- Periodic technical reporting; and
- Periodic financial reporting;

These activities are tailored to each project to help ensure that the risks are identified and mitigation steps are put in place to ensure that the project remains on schedule and on budget.

Institutional oversight framework

Institutions are responsible for putting into effect appropriate policies, practices, processes and controls for effective institutional management and oversight of Alliance-funded projects. These oversight activities should be proportionate to the complexity and scale of each project.

Project administration

Procurement of infrastructure

The Alliance operates on the principal that its funds must be used effectively and economically. To maximize the purchasing power of its investment and to ensure a fair and transparent process, the Alliance requires that all purchases follow institutional procurement policy and procedures. At a minimum, these must comply with the agreements set forth in annex 502.4 of the [Agreement on Internal Trade](#).

A formal competitive bid process must be performed when required by institutional policies. The requirement for competitive bidding should be clearly communicated to all involved at the outset. The institution should not make any purchase commitments to suppliers when soliciting pricing information at the proposal and award finalization stages, ensuring that a formal competitive bid process can be carried out prior to the actual purchase. For items involving non-monetary contributions, the institution is also expected to follow its standard policies and procedures.

Tracking of expenditures and contributions, and financial records

The recipient institution and other eligible institutions participating in a multi-institutional project are responsible for the administration of the Alliance contributions and for tracking project expenditures and partner contributions. They must maintain adequate financial records and ensure that the expenditures and partner contributions comply with the Alliance policies and guidelines outlined in this guide. This requirement is also specified in the institutional agreement and imposed as a condition of funding in the award agreement. They must also ensure that cash and in-kind contributions from partners have been received and expenditures have been incurred after the date of eligibility for each fund, as outlined in the CFP. The account

administrator is responsible for ensuring that the Alliance is not charged more than the maximum allowable Alliance funding share of eligible costs (typically 60 percent) or the maximum Alliance amount, whichever is lower. Unless otherwise indicated in this guide, administration and accounting procedures for each project must conform to institutional standards, practices and policies.

Financial records

The institution must maintain a verifiable audit trail for all expenses and contributions (including non-monetary) reported in an Alliance-funded project. It must also maintain separate project accounts for each Alliance-funded project. Financial records must reconcile to the financial report submitted to the Alliance.

The institution must not report to the Alliance or provide financial records for items that do not constitute eligible expenses or eligible contributions, even if they are related to the project.

Supporting documentation

The institution must be prepared to provide supporting documentation for expenditures and contributions related to each eligible item included in the budget or financial report of an Alliance-funded project. The institution must keep on file the original documentation for audit purposes and provide it upon request.

Retention of supporting documentation

The institution must keep all financial records and supporting documentation for each transaction reported in an Alliance-funded project. In line with Canada Revenue Agency requirements, documentation must be kept for at least six years. This six-year period starts at the end of the fiscal year to which the records relate. The institution must keep on file all documentation for audit purposes and provide it upon request. The Alliance may request that the documentation be maintained for a longer period for a given project if this is required for audit purposes.

Specific situations

Acceptance of cash back or other benefits from a supplier

When providing pricing on Alliance-funded infrastructure, suppliers may suggest that instead of a special discount (considered by the Alliance as a non-monetary contribution), the equivalent in cash or other benefits (including additional items) be given to the institution. The Alliance does not endorse the procurement of infrastructure that would be linked to a promise of cash back or other benefits not related to an Alliance-funded project but be advantageous to the institution in some other way. If this occurs, the cost of the infrastructure purchased from the supplier must be reported to the Alliance net of the cash back or value of the benefit received from the supplier (i.e. fair market value less cash back or value of benefit). However, if the cash back or other benefits are advantageous to the Alliance-funded project, the Alliance will accept that the infrastructure purchased from the supplier be reported to the Alliance at fair market value.

Cost allocation of a single item shared between projects

If an institution determines after award approval that it is more optimal and/or cost-effective to consolidate the individual needs of two or more projects and to purchase one single item that will benefit these projects, the cost of the item purchased can be allocated and reported in each individual project using any method deemed appropriate by the institution, as long as the sum of the amounts reported does not exceed the actual purchase cost of the item. The institution must indicate in the final financial report that the cost of the item has been allocated to more than one project and reference the other project(s).

Basket purchases

If the institution is unable to obtain from the vendor details of the purchase price and its allocation among infrastructure items, the cost of each item acquired as part of a basket purchase (i.e. a group of items acquired for a single amount) can be determined by allocating the price paid for the basket to each item on the basis of its relative fair market value at the time of acquisition. Details of the cost allocation should be documented and made available upon request.

When the infrastructure items purchased are reported in the Alliance budget as a functional group, the institution does not have to allocate the price paid to each item within the functional group, unless otherwise required by institutional accounting practices.

Foreign currency transactions

Foreign currency transactions must be reported in Canadian dollars in the financial reports in accordance with generally accepted accounting principles.

Delays in the acquisition of the hardware and project completion

To ensure that the significant investments made in Alliance-funded projects deliver the expected benefits, the timely implementation and completion of projects is important. In some instances, significant delays in implementing a project can also reduce the relevance and/or competitive edge of the project. Therefore, it is important for the institution and the Alliance to carefully monitor the implementation of each project.

To achieve this, the institution must have effective processes and mechanisms in place to monitor the implementation of its projects. The institution is expected to tailor the nature and extent of its oversight activities to the risk of each project (e.g. quarterly monitoring for higher-risk projects, monitoring on an annual basis for lower-risk projects). If delays occur, mitigation measures should be implemented as appropriate. If actual or forecasted delays are expected to have a negative impact on a project and its research objectives, the institution should notify the Alliance on a timely basis. The notification should include detailed information regarding the nature of the delay and its impact on the project.

The Alliance monitors the implementation of projects using the forecast information provided in financial reports; therefore, it is important that this information be reasonably accurate. If there are delays in a given project, the Alliance may need to revise the timing of its disbursements to the project to more closely match the actual purchases for the project.

Project completion

The institution must normally complete the project within the anticipated end date indicated in the Contribution Agreement. The institution cannot incur expenditures after the anticipated end date without requesting prior Alliance written approval. The actual end date of a project is the date at which the hardware has been acquired or developed and is operational and all expenditures have been incurred (i.e. goods received, services rendered or work performed). The end date is not the date of submission of the final financial report. However, the institution must request prior Alliance approval if it will not be able to acquire or develop the hardware within the anticipated end date per the Contribution Agreement. If the end date of a project has been extended once, any further revisions to the end date requires prior Alliance written approval via an agreement amendment.

Reporting

All projects funded by the Alliance are required to submit progress reports. The reporting requirements vary depending on the call. The institution must ensure that reports are submitted in a timely fashion. The Alliance will withhold all payments when an institution does not comply with reporting requirements for all projects.

Project progress reporting

The project progress reporting provides oversight to determine that the project is on time, in scope and within budget. Formal progress reports are required on a quarterly basis. Informal touchpoints may also be arranged with recipients to assist and assess any risks or delays to the project. The final project report must be submitted before the final disbursement is released.

Financial Reporting

Submission deadlines

Active projects are required to submit a quarterly financial report, thirty (30) days after the end of the reporting period.

The final financial report must be submitted within six (6) months of the actual end date of the project.

Reports should be sent electronically to the following address: funding-subventions@alliancecan.ca

The Alliance reserves the right to withhold payments when an institution does not comply with reporting requirements.

Content of quarterly financial report

The financial report includes information on:

- actual and forecasted eligible costs
- actual and forecasted contributions to eligible costs from eligible partners
- proposed budget revisions that have not been previously approved by the Alliance.

In the financial report, the institution must disclose the various funding sources and the full actual cost of all eligible items, even if the cost of these items exceeds the estimated cost reported in the proposal or at award finalization.

Content of final financial report

To request the final instalment for a given project, the institution must submit a final financial report. The report must state the final total eligible costs and contributions.

The amount of the final Alliance contribution is calculated based on the actual total eligible costs incurred for the project. The final Alliance contribution is the lowest of 1) the maximum allowable Alliance funding share of eligible costs or 2) the Alliance maximum contribution amount, whichever is lower. If the total eligible costs are higher than the estimated costs indicated in the award agreement, the institution is responsible for excess expenditures.

The Alliance reserves the right to make the final determination of eligible costs and fair market value, to disallow expenditures and to reduce the Alliance award if required. To avoid a situation where costs may later be deemed ineligible or incorrectly valued, the institution is advised to contact the Alliance early in the process if it foresees a problem in complying with the guidelines for a given project.

Budget revisions

Budget revisions should be driven by changes in the nature, scope, or timing of the approved project. Expected changes to the project should be discussed with and approved by the Alliance's program management group before the budget revision template is completed.

When preparing the budget revision template, any impact greater than \$100,000 and 10% for any line item in Part II (Expenses) or Part III (Contributions) of the budget should be justified.

The budget revision template is embedded in the quarterly reporting workbook. Requests for budget revisions can be submitted at the same time the quarterly financial report is submitted.

Contribution audits

The Alliance conducts audits to ensure that the funding received by an institution for a given project has been used in accordance with the agreed-upon terms and conditions of the award agreement and with applicable policies and guidelines. The Alliance reserves the right to audit any Alliance-funded project, even when the final instalment (holdback) has been paid.

A risk-based audit approach is used for the selection of projects to be audited. Various risk factors are considered, such as the value of the Alliance contribution and the non-monetary contributions, the complexity of the project, and the Alliance's experience with both the project and the institution. The risk of a project will determine the scope, timeline, nature and extent of the audit activities. The Alliance reviews project risk and assesses the need for audits periodically. The institution will be notified when a project is selected for an audit.

Audit costs are not eligible costs and cannot be reported as such in an Alliance-funded project. Within certain guidelines, the Alliance will pay for the audit costs out of its budget. However, if an institution has not prepared the required documentation by the dates set by the auditors or has not co-operated with the auditors by providing them with the required information on a timely basis, the Alliance may request that the additional costs incurred be paid by the institution.