

Ontario-Jiangsu Industrial Research and Development Program

Guidelines FY2016-17

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A. Program Overview

Successful Ontario applicants will be eligible to receive a maximum of \$150,000 per project from OJIRDP to fund the Ontario portion of the project.

Objectives

To be considered for funding, projects must present a clearly-identified R&D focus on products or processes which may lead to commercialization in global markets. Networking and exploratory activities will *not* be supported under this program. Each project must identify a key added value that each partner will contribute to the project.

Priority Fields

The current call for proposals will accept project applications focusing on all technology sectors, including clean tech, communications, internet, IT and enterprise software, life sciences, semiconductors, new materials, intelligent manufacturing and miscellaneous technologies.

B. How Funding Works

Ontario and Jiangsu will conduct parallel application processes. Ontario-based organizations apply directly to Ontario Centres of Excellence (OCE). Jiangsu-based companies apply directly to Jiangsu Science and Technology Department (JSTD).

Tenure of Grant

Project terms should not exceed three years and are non-renewable.

Grant Amount

Successful Ontario applicants will be eligible to receive a maximum of \$150,000 per project from OJIRDP to fund the Ontario portion of the project. Additional project funding will be provided to the corresponding Jiangsu applicant on each project by JSTD to fund the Jiangsu portion of the project. (e.g., the maximum

grant amount to be received by a project is \$150,000 in Ontario and \$150,000 in Jiangsu, to a total of \$300,000).

- For a project to be considered for funding under OJIRDP, each project's lead Jiangsu partner must apply directly to JSTD.
- OJIRDP funding is conditional on the corresponding Jiangsu applicant receiving funding approval from JSTD.
- Funds will be disbursed annually – based on successful reporting – at forty per cent, twenty-five per cent, twenty-five per cent and ten percent of the total of grant amount.
- OCE anticipates that four projects will be funded through a 2016 Call for Proposals.
- OCE's financial assistance must not exceed 50 percent of the Ontario portion of eligible project expenditures.
- Ontario applicants will have to identify sources of matching cash and/or in-kind contributions for the remaining 50 per cent of project costs.
- Matching cash/or in-kind contribution may come from any non-government on Ontario source.
- Letters of support from each funding partner must be included along with the application confirming both the amount of matching funding and the intended use of the contribution.

Matching Contributions

Matching contributions can consist of both cash and in-kind contributions. In-kind contributions are non-cash resources and are to be listed as part of a project's overall budget. Applicants must be able to verify the value of in-kind contributions with independent third-party valuations.

In-kind contributions must:

- Be essential to the implementation of the project
- Represent an item or service that would otherwise have to be acquired with cash
- Be priced at the lesser of fair market value or the actual cost to the donor

In-kind contributions can include:

- Equipment or related warranties
- Materials and expendable supplies
- Software and databases/datasets
- Use of space or facilities
- Salaries (including benefits) of professional, technical, analytical, or project-specific administrative personnel donated by the private sector partners
- Access to unique databases or high performance computing services
- Travel (costs may be limited), including per diems paid to private sector partner employees or contractors, for essential, time-limited off-site work related to the project

Ineligible in-kind contributions include:

- Donations in the form of goodwill
- Services that are usually performed for free
- Salaries and benefits of staff not directly related to the project
- Salaries and benefits of personnel who usually act as volunteers
- Overhead costs incurred by private sector partners contributing personnel time
- Standard discounts – academic or otherwise
- Equity in an emerging private sector company

[For more information on eligible and ineligible expenses please refer to the OJIRDP Eligible Expenses Guidelines \(see below\).](#)

C. Eligibility

Eligible Applicants

Funding is open, on a competitive basis, to:

In Ontario: R&D performing companies, universities, colleges or research institutions operating in Ontario.

In Jiangsu: Eligible applicants are R&D performing Jiangsu registered companies operating in Jiangsu.

Criteria

- At least one science and technology (S&T) company from Jiangsu and one S&T organization from Ontario should express a desire to cooperate in the research and development of a new product or a new process.
- The project may involve more than one company/organization from each side. In Jiangsu, academic/research entities are eligible to join as sub-contractors only.
- The proposed product/process should be highly innovative with significant commercial potential. The joint industrial R&D project should aim at the development of products/processes leading to commercialization in global markets.
- The project applicants should agree in advance on the IP rights and on the commercialization strategy of the product or process through signing a Letter of Intent (LOI) for cooperation. For the submission phase, only an LOI for cooperation in a preliminary agreement or a draft memorandum of understanding format is required. However, the final signed cooperation agreement has to be presented to the funding authorities at the contracting stage.
- The project should demonstrate the contribution of the participants from both jurisdictions.
- The project must provide mutual benefit for applicants from both jurisdictions.
- Applicants must undertake the responsibility to ensure any experimentation will be acceptable on ethical and safety grounds and maintain the highest standards of research integrity.

D. Evaluation and Project Activation

Review Procedure

Applications will be assessed in a three-step process:

1. All Ontario applications will be evaluated by OCE for completeness, compliance with program criteria and eligibility.
2. Ontario and Jiangsu will independently review applications. Applications which meet the program criteria and eligibility will then be evaluated by independent domain subject matter experts who will assess the project's merit based.
3. Based on the first two steps, the Ontario-Jiangsu Joint Committee on Science and Technology Cooperation from MRIS and JSTD will make joint decisions on successful projects to receive funding.

MRIS and JSTD reserve the right to select project proposals that are mutually agreed upon. The final decisions will be communicated through email to the Lead Applicant(s) identified in the application.

E. Funding Agreement and Project Reporting

Applicant's Agreement

If selected to receive a grant under OJIRDP, Ontario applicants must enter into an agreement with OCE which will include conditions such as:

- Project activities and deliverables cannot be changed without the written approval of OCE.
- Projects may be subject to an audit.
- Any good and/or service to be purchased in relation to the Ontario side of the project, with a value of more than \$25,000, must go through an open procurement process before the applicant purchases the good and/or service. See the [BPS Procurement Directive](#) for more information.
- Progress reports must be submitted every year including progress on project deliverables, results, budget, and partner contributions. Reporting templates will be provided.
- Ten per cent of the total grant amount will be held back subject to all reports having been received.
- Actual project resources and expenditures will be reviewed on a regular basis and may result in an adjustment in the payment level in subsequent years.
- Projects will be required to acknowledge the Government of Ontario's support.
- The provision of an indemnity and the requirement to maintain commercial general liability insurance.

[Download a template of the full Funding Agreement.](#)

Reporting

Annual Progress Reports:

1. Annual Progress Reports will be required detailing:
 - The significant accomplishments and performance measures of the project
 - Achievement of milestones and deliverables as set out in the above project plan
 - An updated budget, which is to be submitted annually as part of regular reporting
- The Applicant will receive a notification and the reporting template forty-five days prior to the due date.
- Funds will be dispersed annually by direct deposit based on a reconciliation of year-to-date expenditures versus budget estimates, following the completion and positive review of project reporting.

Please Note: *Applicant must retain all proof of purchases, receipts, and other relevant documentation relating to eligible expenses.*

Final Report:

2. A Final Report will be required at the end of the project detailing:
 - The significant accomplishments and performance measures of the project
 - Achievement of milestones and deliverables as set out in the above project plan
 - An updated budget, which is to be submitted annually as part of regular reporting
- The Applicant will receive a notification and the reporting template forty-five days prior to the due date.
- If an extension is required, it must be requested via OCE's online AccessOCE system.
- Ten percent of the total OJIRDP grant will be held back until the final report is received.

All required final reports by all partners must be submitted within 30 days of project completion in order for reimbursement, and to maintain good financial standing with OCE.

Retrospective Project Reports

3. Applicants will be required to complete a brief retrospective survey on an annual basis three years from the end date of the project. The retrospective survey is mandatory for OCE to fulfil its contract with the Ministry.



ONTARIO-JIANGSU INDUSTRIAL RESEARCH AND DEVELOPMENT PROGRAM (OJIRDP)

Eligible Use of Funds:

Eligible expenses include costs and activities directly related to achieving the objectives for which the OCE funding was granted. All procurement activities must conform to [Broader Public Sector Accountability Act \(BPSAA\)](#).

Eligible Expenses:

Actual costs directly attributable to and necessary for the completion of the project and are not wholly or partially for another purpose. One-time costs, directly attributable to implementation of the project; actual cash outlays that must be documented through invoices, receipts, or records - and are subject to verification by an independent auditor. Evidence of payment must be maintained for audit purposes. Costs incurred outside Ontario are ineligible unless otherwise approved by OCE.

Retroactive Expenses:

OCE will acknowledge expenses after the approval date. In cases where an application is not approved and activated, expenses are incurred at the risk of the applicant.

Institutional Overhead:

Eligible indirect costs are allowed.

Capital Costs:

Capital items (fixed assets) include equipment, testing tools, and instruments that have residual values as determined by Generally Accepted Accounting Principles (GAAP) at the end of the funding period. The eligible expense items allowed by OCE are the cost of utilization/depreciation of capital item (fixed assets) specifically required for the delivery of the eligible project. The prorated cost should be entered under "Operating Expenses" along with the justification.

Notes:

GAAP is a collection of commonly-followed accounting rules and standards for financial reporting. The purpose of GAAP is to ensure that financial reporting is transparent and consistent from one organization to another.

Residual Value of an asset, the estimated amount that it will be worth at the end of funding period.

Depreciation is the systematic reduction in the recorded cost of a fixed asset.

Travel outside of the province of Ontario requires a request for pre-approval from OCE which will include justification.



TRAVEL AND LIVING:

Eligible Expenses	Ineligible Expenses
<ul style="list-style-type: none"> ✓ Travel expenses are explicitly project-related, represent the most economical option (economy fare, and standard hotel room) 	<ul style="list-style-type: none"> ✗ Meals and incidental expenses ✗ Reimbursement for airfare purchased with personal frequent flyer points programs ✗ Commuting costs between residence and place of employment ✗ Passport and immigration fees

SALARIES AND BENEFITS:

Eligible Expenses	Ineligible Expenses
<ul style="list-style-type: none"> ✓ Incremental salary and benefits for employees of the company working on the project activities, to a maximum specified in the funding agreement with OCE (specify position and employment status) <p>Additional Limits & Conditions:</p> <ul style="list-style-type: none"> ✓ Salaries and benefits must only be claimed in proportion to the amount of time spent working directly on Project activities ✓ The company shall be required to maintain timesheets or appropriate records for all employees working directly on the project 	<ul style="list-style-type: none"> ✗ Costs related to proposal development (including staff)



OPERATING EXPENSES:

Eligible Expenses	Ineligible Expenses
<ul style="list-style-type: none"> ✓ Cost of usage of research equipment, software, computers and communication equipment (up to maximum 10% of the project cost) ✓ Cost of direct materials, necessary for specifically identified activities and measured as having being used for, the completion of the project ✓ Materials used for prototypes; configuring, testing production processes, systems, and training employees ✓ Sub-contractor and consultant fees if approved by OCE management prior to the start of the project and if procured in accordance with the BPSAA Procurement Directive ✓ Costs of developing web-based information, including website maintenance fees ✓ Cost involved in providing personnel with training and/or development in novel techniques required for the project for their role(s) ✓ Rent/lease costs paid on directly related project occupied space 	<ul style="list-style-type: none"> ✗ Expenses of a personal nature ✗ Costs related to staff awards and recognition ✗ Monthly parking fees ✗ Cost of research and development ✗ Costs of moving ✗ Meals and entertainment expenses, gifts and alcoholic beverages ✗ Expenses associated with lobbying or government relations activities ✗ Costs not directly associated with meeting the deliverables and milestones as specified in the funding agreement with OCE ✗ Tax expenses (including but not limited to sales taxes, tax filing, income taxes) ✗ Cost of basic utility services ✗ Allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges ✗ Tangible capital costs such as, but not limited to, land, buildings, vehicles, equipment ✗ Cost of clinical trials ✗ Infrastructure costs