

CLIMATE CHANGE AND EMISSIONS MANAGEMENT (CCEMC) CORPORATION AND SUSTAINABLE DEVELOPMENT TECHNOLOGY CANADA (SDTC)

February 2016 Joint Call for Funding Applications
for Canadian Small and Medium Enterprises
Eligible Expenses and Cost Instructions

Online submissions: <https://applications.sdtc.ca/>
Deadline: Wednesday, April 13, 2016



CCEMC
*Climate Change & Emissions
Management Corporation*



Sustainable Development
Technology Canada

Two funders. One process. \$40 million competition.

Alberta Government

Funded by the
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1 Introduction

1.1. Document Scope

The purpose of this document is to provide guidance and instruction on eligible expenses for support with funding from CCEMC and SDTC (collectively the “Funders”). Stipulations apply to expenses included in budgets at the application stage (Funding Application and Funding Proposal), as well as to expenses incurred during the lifetime of funded project.

The Funders reserve the right to query any expense, at any time. Furthermore, this document is subject to periodic revision; new versions will supersede older ones.

The quality of your submission is in part determined by the transparency of expenses associated with your project. Incomplete or incorrect information will negatively impact the project proposal.

Note: Questions for the Funders about expense eligibility that are not fully addressed in this document can be sent to applications@sdtc.ca. Through this contact address, Applicants will be directed to appropriate personnel within CCEMC and SDTC to address their questions.

1.2. Background

Climate Change and Emissions Management (CCEMC) Corporation (“CCEMC”) was created by the Government of Alberta to help the province transition to a low carbon future. By developing the next generation of innovative and clean technology, CCEMC helps Alberta build an open, sustainable and increasingly diversified economy that attracts investment, facilitates diversification, expands market access and delivers improved environmental outcomes. CCEMC’s mandate is to reduce greenhouse gas emissions and adapt to climate change by supporting the discovery, development and deployment of technologies.

The Climate Change and Emissions Management Fund (the “Fund”) is a key element of Alberta’s overall Climate Change Strategy, and is the primary source of revenue for CCEMC. Since inception in 2009, CCEMC has committed \$350 million in funding toward 107 clean technology and climate change adaptation projects valued at a total of \$2.3 billion. These projects are estimated to directly result in 11.8 Mt CO₂e of GHG reductions in Alberta by 2020, with a further 8.6 Mt CO₂e of provincial reductions resulting from market adoption of the technologies under development.

CCEMC has identified four goals and supporting strategies that will be the basis for delivering on the mandate and mission of the organization:

- GOAL 1:** To fund clean technology projects that achieve actual and sustainable reductions in GHG emissions
- GOAL 2:** To support the research, development and deployment of transformational technology
- GOAL 3:** To improve the knowledge and understanding of climate change impacts, mitigation strategies, adaptation and technological advancements
- GOAL 4:** To demonstrate full accountability to all Albertans

Sustainable Development Technology Canada (“SDTC”) acts as a primary catalyst in building a sustainable development technology industry in Canada, funding and supporting Canadian cleantech projects across a number of sectors. SDTC invests in Canadian companies that through their innovative technologies bring positive contributions to Canada: creating quality jobs, driving economic growth, and preserving our environment. SDTC is a foundation funded by the Government of Canada.

From an initial investment in 2002 of just under \$5 million, SDTC has matured into an effective investment mechanism with \$740 million in SDTC funds and over \$2 billion in leveraged funds in a portfolio of almost 300 projects across Canada. These projects represent a total project value of \$2.7 billion, with the private sector contributing 82 percent of the \$2 billion in leveraged funding.

CCEMC and SDTC Call for Funding Applications: For this call for applications (“Call”), the Funders have partnered to invite Funding Applications (“FAs”) from Canadian small and medium enterprises (“SMEs”) developing and demonstrating new and innovative GHG reduction technologies. SMEs are responsible for large amounts of innovation and are a source of many new GHG reduction technologies. The goal is to accelerate commercialization of technologies that benefit Alberta, Canada and the rest of world through GHG reductions, enterprise development, and economic growth.

For information about the Funders and the funding process, please refer to the *Guide and Instructions* document available on www.ccemc.ca and www.sdte.ca.

2 Salaries and Benefits

2.1. All Organizations

- Only actual, direct salaries are Eligible Expenses.
- Salary rates must correspond to the base salary rate only, and cannot include any commission, bonus or pay- for-performance component.
- In cases where the Project Proponent specifies the hiring of a contractor (“Contractor”) the rates charged by the Contractor to the Project are eligible. The Contractor must document the hourly or daily rate charged on their invoice submitted to the Project.

2.2. Public Bodies (including Government Departments, Post-Secondary Institutions and Other Government- funded Agencies)

Full or part time Project personnel may not receive salaries or consulting fees from funds. However, the salaries of individuals hired temporarily to relieve personnel of their regular duties, thereby allowing them more time for funded project business, are eligible for the Funders support.

All labour costs must be supported by activity-based time sheets enabling verification of the activities conducted by the resource’s time charged to the Project.

2.3. Employee Benefits

Actual benefit expenses of employees, including, Employment Insurance, Canada Pension Plan, medical, vacation pay are eligible expenses to a limit of 20% of the base salary.

3 Indirect and Administrative Expenses

3.1. Administrative / Overhead Expenses

Company overheads which are directly related to the Project are chargeable to the project. For greater clarity, examples of normal company overhead charges may include, but are not limited to, the following:

- Administrative Salaries for Project-related activities
- Office supplies related to the Project
- Information Technology Charges directly related to the Project
- Insurance (pro-rated to Project activities and assets)
- Utilities (pro-rated to Project activities)

However, these must be sufficiently detailed, itemized and shown separately in budgets and invoices.

The Funders reserve the right to limit overhead payments should it deem appropriate.

3.2. Fixed Assets and Consumables

Depreciation only on fixed assets for the period of the project, as per generally accepted accounting principles (GAAP), is an eligible expense. All assets to be purchased must be itemized at the time of submission of the Funding Proposal (FP). A minimum of three (3) quotes for assets costing in excess of \$20,000 must be obtained and documented by the Project Proponent, unless otherwise approved by the Funders. The useful life of the asset must be specified.

The purchase of assets for the Project during the life of the project must be approved by the Funders or their designated representative. Consumables (e.g., industrial gases, construction or laboratory supplies) used during the course of the Project are eligible expenses but must be documented.

3.3. Foreign Currency Risk

The Funders do not accept any foreign currency risk. Any project cost or funding changes as a result of foreign currency fluctuations are to be borne solely by the Project Proponent. Any Project Proponent operating in a foreign jurisdiction must make appropriate provisions to manage the risk of foreign currency fluctuations during the project period.

3.4. Land

Costs associated with purchase of land are not eligible. Costs associated with leasing land may be eligible; however, all leasing costs must be directly associated with the project, must be justified, and will be reviewed by the Funders.

3.5. Publications, Reports, Memberships and Tuition Fees

Subscriptions to magazines, journals and other publications are not eligible, nor are tuition fees and membership fees.

Expenses incurred in preparing progress reports for the Funders are considered to be a part of the project, and are therefore eligible.

Expenses for extension and publication of research results may be considered eligible as long as prior written approval is obtained from the Funders.

3.6. Costs of Verification

Any costs related to post project third party verification of GHG emission reductions as required by the Funders will not be considered an eligible expense. All verification costs are to be borne by the project proponent.

3.7. Regulatory Approval

Any costs incurred to obtain approval from any regulatory body in order to commence, execute or complete a project are not eligible.

3.8. Personnel Hiring

Expenses of advertising, travel, or other expenses associated with hiring new personnel for a project are not eligible.

3.9. Entertainment

Expenses in respect of entertainment are not eligible.

3.10. Materials and Supplies

Materials and supplies used to carry out the proposed Project work may include raw materials, tools, and software; their costs are eligible expenses. They should be indicated in the budget at the time of application. Expenditures in this category that are not included in the Funding Application and Funding Proposal must be approved by the Funders or their designated representative.

3.11. Marketing

Product marketing is not an eligible expense by the Funders.

3.12. Protection of Intellectual Property

The Funders do not support proprietary project investment. Expenses associated with protecting a project's results, e.g. patenting, licensing, copywriting, etc., are not eligible.

3.13. Attendance at Conferences

The Funders may support expenses to a maximum of \$2,500 (\$5,000 for international conferences) for travel expenditures and attendance at conferences in the case where the Funders Project Proponent is a presenter and the information presented is directly related to the Project. If the conference has paid for any expenses related to travel then the Project Proponent cannot also claim these amounts from the Funders. Conference details and location must be documented in the budget at the time of submission, or recommended by

the Project Advisory Committee and approved by the Funders. A summary report of conference findings/results should be provided.

3.14. Approved Travel Rates

The following travel policies apply on all travel associated with Projects. Any exceptions to the policies described below must be approved in advance and in writing by the Funders. All project proponents claiming travel expenses must maintain detailed, comprehensive travel records for review by the Funders. Attached to each travel record must be all original receipts for the associated travel expenses claimed or a copy thereof. Only expenses where a receipt is attached will be considered eligible.

3.15. Air Travel

Only economy airfares are eligible.

Change and cancellation fees are not eligible. Project proponents are not authorized to fly or charter private or personally rented aircraft on Project business.

3.16. Other Travel Expenses (Meals, Accommodation, Parking etc.)

Reasonable out-of-pocket expenses incurred while performing work directly related to the approved Funders project are eligible. All expenses are to be supported by receipts and all travel expenses incurred must be consistent with the Project work plan and budget schedules.

3.17. Hotel Cancellation Charges

Project proponents are responsible for cancelling hotel reservations in time to avoid “no show” charges, therefore “No show” and cancellation expenses are not eligible.

3.18. Gratuities

Tips and gratuities are eligible up to a maximum of 15% and must be supported by receipts.

3.19. Vehicle Travel

For all project proponents and all types of vehicles, toll charges for travel on approved project business are eligible.

Parking fines, traffic violation fines (including photo radar), and impoundment/ towing fees when driving a company, leased, rented or personal vehicle on approved project business are not eligible.

3.20. Vehicle Particulars

PRIVATE AND COMPANY-OWNED VEHICLE ALLOWANCE

The private and company owned vehicle allowance (“Vehicle Allowance”) is intended to cover the gas and maintenance expenses associated with operating a personal or company vehicle while travelling on Project business. The vehicle allowance does not apply when using a rental or leased vehicle. Project proponents authorized to use their own or company-

owned vehicles in the performance of their Project related duties may charge \$0.505 per km to the Project.

The Vehicle Allowance is an eligible expense for private and company owned vehicles driven to a departure location (i.e., airport or train terminal) and picked up upon return.

When travel mileage would exceed the cost of a vehicle rental, the person travelling should travel by rental vehicle.

3.21. Parking

Where privately owned vehicles are used for approved Project business, only receipted parking charges are eligible.

3.22. Insurance Requirements

Project proponents are responsible for obtaining adequate insurance coverage for using their private vehicle for business purposes. Adequate coverage shall be determined before a privately owned vehicle is used for funded project business.

3.23. Vehicle Rentals

Proponents are required to use rental vehicles where they represent a lower- cost alternative to the use of private vehicles.

Proponents must ensure that adequate insurance coverage is in place when using rental vehicles. Proponents must obtain a competitive rate for vehicle rentals; only compact or midsized rates are eligible expenses, subject to usage requirements, as defined in the funded project proposal and work plan.

3.24. Taxi Charges

Claims for taxis while travelling on Project business will be reimbursed at cost when other more economical means of transportation are either unavailable or unsuitable.

3.25. Meal Reimbursement Rates

Meals received at public expense or without charge may not be claimed.

Meal and per diem allowances are consistent with those provided by the Government of Alberta; please consult the Government of Alberta [website](#) for details.

3.26. GST

GST and provincial sales taxes are not eligible.

3.27. Revenue Generating Activities

Cash contributions from revenue generated through Project activities must be pre-approved by the Funders. Applicants must ensure that sufficient financing is in place to carry out the entire Project without relying on future revenue potential from Project activities. However,

revenue that is subsequently generated through Project activities may be considered eligible for matching at the discretion of the Funders.

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