



Call for Proposals

**Funding
Program Guide:
Post-Award**

www.ncc-cnc.ca

Contents

Contents.....	2
How To Use This Guide	5
The National Cybersecurity Consortium	6
Post-Award Program Funding Information	7
Ultimate Recipient Information	7
Ultimate Recipient Obligations Overview	7
Ultimate Recipient Agreement (URA)	8
Multi-Organizational Projects	9
Release of Funding to the Ultimate Recipient	9
Changes to Projects	10
Funding Reporting Overview	11
Financial Reporting	11
Progress Reporting	11
Additional Data Collection.....	11
Communications and Outreach Requirements	12
Acknowledging NCC and ISED Support	12
NCC and ISED Announcements.....	12
NCC Communications and Social Media	13

Official Languages Usage.....	14
Post-Award Financial Information	15
Definitions	15
Payment Schedule.....	15
Holdback.....	15
Final Disbursement	16
Management and Oversight of Awards.....	16
NCC Oversight Framework.....	16
Organizational Management and Oversight	16
Account Administration.....	17
Procurement of infrastructure.....	17
Acceptance of cash back or other benefits from a supplier	17
Maintaining financial records and tracking expenditures and contributions	17
Financial records	18
Retention of supporting documentation	18
Cost allocation of a single item shared between projects	19
Supporting documentation	19
Supporting documentation for expenditures includes:	20
Personnel costs	20
Construction or renovation	20
Supporting documentation for matching contributions	21
Other supporting documentation.....	21

Foreign currency transactions	21
Items involving in-kind contributions	22
Reporting responsibility	23
Supporting documentation	23

How To Use This Guide

The National Cybersecurity Consortium (NCC) Funding Program Guide details the administration, reporting and oversight of projects that are awarded funding. These processes may be adapted as required based on internal assessments.

This Guide is separated into Pre-Award and Post-Award segments for ease of use. The NCC recommends applicants read both segments in advance of submitting any projects for grant consideration, but the key application processes and requirements are captured in the Pre-Award segment and the Call-specific guide.

The National Cybersecurity Consortium

The NCC is a not-for-profit consortium of Canadian organizations fostering and cultivating world-class cybersecurity-related research, innovation, training, talent development, and entrepreneurship. The NCC aims to support Canada's citizens and its cyber and critical infrastructure while ensuring Canada's global competitiveness and leadership in cybersecurity.

The NCC takes a cross-sectorial approach, interested in all Canadian critical infrastructure sectors, and works to build capacity throughout the entire cybersecurity ecosystem. The NCC's approach allows for the development and exploitation of novel intellectual property, spurring innovation across the academic, public, and private corporate spectrum.

Post-Award Program Funding Information

Ultimate Recipient Information

This section includes information describing the expected nature of a successful Organization, namely: an Ultimate Recipient (UR).

Ultimate Recipient Obligations Overview

The Ultimate Recipient Organization shall be responsible for ensuring the terms and conditions of the Ultimate Recipient Agreement (URA – more information below) are met by their organization, as well as by any Partner Organizations (PO) including:

- ensuring that all Partner Organizations have read and accepted the NCC's terms with respect to the administration of NCC awards, NCC membership, and the provision of any and all required supporting documentation;
- the receiving of funds and the making of payments to other POs as per any inter-organizational agreement or other documented agreements/understandings;
- ensuring that distribution of funds is made only to Partner Organizations that have been ruled as eligible by the NCC;
- preparing consolidated financial reports and project progress reports;
- liaising with the NCC for change requests and notifications, and addressing other issues, promptly and as required;
- coordinating audit work with the NCC promptly and thoroughly if the project is to be audited (e.g. obtaining transaction details and supporting documentation, resolving issues);
- Be in compliance with the [Tri-agency guidance on the Policy on Sensitive Technology Research and Affiliations of Concern \(STRAC Policy\)](#) and; having adequate oversight processes and controls to ensure proper management of NCC funds at Partner Organizations in the event that the inter-organizational agreement does not transfer this responsibility to the Partner Organizations.

The Ultimate Recipient Organization will be the organization ultimately accountable for the award.

Ultimate Recipient Agreement (URA)

For each awarded project, the NCC will prepare an agreement with the Ultimate Recipient Organization, known as an Ultimate Recipient Agreement (URA). An authorized person representing the Organization is required to sign the URA, thereby accepting the terms and conditions of the funding on behalf of their Organization. The URA will indicate the program and project descriptions, deliverables, and milestones for the project, as well as any additional conditions of funding. The URA also defines the maximum NCC contribution (in both dollar value and percentage of project budget), payment schedule, and reporting requirements which may vary depending on the size and complexity of the project.

Requirements related to Intellectual Property (IP)

As part of the URA, the Ultimate Recipient will be required to ensure:

- that it or each Inventor owns, holds or has a license to sufficient Background IP Rights to permit the Project to be carried out, and for the Project IP to be exploited. The NCC can provide an attestation form to assist URs should the inventor and UR be separate entities;
- that each Inventor shall be required to not grant any exclusive right or license to any Project IP, in any territory, without the prior written consent of the Minister of Innovation Science and Economic Development, in conformance with the terms of the URA, on such conditions as the Minister of Innovation, Science and Economic Development may determine;
- that it shall not sell, assign, transfer, or otherwise dispose of any Project IP for a minimum of two (2) times the length of the term of the URA, up to a maximum of five (5) years after termination or expiration of the URA, unless the Inventor has obtained the prior written consent of the Minister, on such conditions as the Minister may determine; and
- that it shall not sell, assign, transfer, or otherwise dispose of any asset (other than Project IP) which, in whole or in part, has been acquired, created, developed, advanced and/or contributed to by the funds, for a minimum of two (2) times the length of the term of the URA, up to a maximum of five (5) years after termination or expiration the URA.

NOTE: URs do not have the option of reimbursing the NCC to bypass any obligations with respect to the sale, assignment, transfer, or disposal of any asset, including Project IP.

Multi-Organizational Projects

For projects that involve two or more eligible organizations where NCC funding would be distributed, the applicant organization may choose to become the Ultimate Recipient Organization for the award with responsibility for receiving and administering the funds, or it may request in writing that this responsibility be transferred to another Partner Organization. In the latter case, the designated Organization will then become the Ultimate Recipient Organization for the award and must submit the award finalization documents and take on all other responsibilities associated with that role.

Release of Funding to the Ultimate Recipient

The NCC will release funding to the Ultimate Recipient when:

- all documents requested during the URA negotiation have been received and satisfactorily reviewed;
- any specific conditions identified by the NCC have been satisfactorily addressed;
- the URA has been executed by all parties; and
- the Ultimate Recipient and any Partner Organizations receiving NCC funds are NCC Members in good standing.

Payments to the Ultimate Recipient are subject to the NCC receiving funding from the Government of Canada, which is subject to sufficient parliamentary appropriations. The NCC 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 NCC to the Ultimate Recipient are also subject to NCC management review and authorization, and the fulfilment of any condition that may be applicable to the payments. The NCC reserves the right to defer or suspend payments if an Ultimate Recipient fails to comply with any of the terms or conditions agreed upon.

The NCC will only send funds to the Ultimate Recipient. For multi-organizational projects, the Ultimate Recipient is responsible for receiving and distributing the funds to Partner Organizations according to the terms of any inter-organizational understanding or agreements.

Changes to Projects

Ultimate Recipients must immediately notify the NCC if any of the following changes occur or are anticipated:

- changes to Project Lead as identified by the fully executed URA;
- changes to project budgets as identified by the fully executed URA;
- changes to matching contributions including value amount, contribution source / PO, and contribution components (cash, in-kind or otherwise);
- changes to project scope, including defined deliverables or benchmarks as identified in the fully executed URA; and/or
- the Ultimate Recipient is unable, for any reason, to complete a project or is unable to comply with award conditions (If termination procedures are required, the process will be established on a case-by-case basis.).

Failure to report these changes is in breach of the URA and could result in the NCC suspending funding.

Funding Reporting Overview

To support the successful completion of NCC-funded projects, progress and financial reporting will be required. Through ongoing monitoring and evaluation, the NCC will use the outcomes to inform future initiatives and to support continuous improvement in the design and delivery of our programs.

Financial Reporting

- Financial Reporting will be completed and submitted quarterly. This includes reconciliation/reimbursement and, as applicable, advance requests.
- Reimbursement / advance template(s) will be provided in advance of the reporting schedule to be completed, signed off by an appropriate Authorized Signatory (e.g., Senior Finance Officer), and returned. All invoices / receipts will be retained by the Ultimate Recipient Organization to be submitted upon request.

Progress Reporting

The project progress reporting provides oversight to determine that the project is on time, in scope, and within budget. Formal reporting is required to be submitted on a quarterly basis with brief updates requested for the first and third quarter reporting and a more robust and fulsome report required semi-annually. Informal meetings with NCC staff may be arranged with recipients to assist and assess any risks or delays to the project. The final project report will be required to be submitted before the final disbursement is released.

Additional Data Collection

Key performance indicators relating to engagement and representation of underrepresented groups as designated groups under the *Employment Equity Act* will be collected to monitor program impact. Information related to Intellectual Property, data management plans and other compliance metrics will also be collected.

Communications and Outreach Requirements

As part of the NCC's ongoing work to communicate funded projects' activities and outcomes to a wide range of audiences and to fulfill funding commitments, the NCC urges Ultimate Recipients and POs to support the communication and outreach activities initiated by the NCC.

Awarded organizations are also encouraged to develop their own communication and outreach initiatives in close collaboration with the NCC. For a summary of the responsibilities of Ultimate Recipients and Partner Organization regarding communications about federally funded projects, refer to the Government of Canada's [Public Communications Policy](#). Further to these guidelines, the signed URA details communication requirements as per the office of the Minister of Innovation, Science and Economic Development (ISED).

Please contact the NCC at projects@ncc-cnc.ca to discuss ways to highlight the NCC, its activities, and project support.

Acknowledging NCC and ISED Support

The NCC requires Ultimate Recipients and Partner Organizations to acknowledge the NCC and ISED support in all public communication activities, including but not limited to public announcements, presentations, talks, media relations (press releases and articles), and social media postings.

NCC and ISED Announcements

The NCC may call upon the awarded organizations to participate in public funding announcements with ISED. Funding announcements provide Ultimate Recipients, their researchers, Partners Organizations — along with government representatives and the media — with the opportunity to highlight the successes conducted in their communities. The NCC strives to provide as much advance notice as possible of upcoming announcements to Ultimate Recipients and encourages those organizations, in collaboration with the NCC, to issue their own news releases and/or communications material concurrently with any NCC releases.

NCC Communications and Social Media

The NCC is active on social media and encourages Ultimate Recipients, Partner Organizations, their communications teams, and project leads to follow NCC accounts and engage with its publications on these platforms. The NCC's communications team welcomes opportunities to collaborate on social media campaigns. The NCC and ISED should be tagged in appropriate social media postings.

We encourage organizations to share with us story ideas or multimedia materials that could help communicate the value and impact of the activities enabled by NCC's funding. In turn, awarded organizations and project leads should be prepared to connect with NCC staff should we choose to highlight a research project or lab in our communications products. We will seek all necessary permissions and approvals for the content we create.

Our content is often available for organizations to repurpose in their own communications, including in their publications, newsletters, or on their website. Email the NCC at projects@ncc-cnc.ca if you would like to repurpose a story about your projects.

Official Languages Usage

The NCC is committed to providing its communications and services to the public in both official languages, English and French. The NCC encourages awarded organizations (Ultimate Recipients) to opt for the use of both official languages in their public communications about any NCC funded projects.

Post-Award Financial Information

Definitions

Fair market value (eligible cost): 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 organization would be expected to pay in such circumstances after normal and (when appropriate) educational discounts but prior to any discount offered as a contribution toward an NCC-funded project.

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

Payment Schedule

The NCC establishes the payment schedule at the time of URA finalization taking into account the type of organization, project timelines, and award amount.

The planned instalment schedule is included in the URA. The NCC reserves the right to revise the schedule based on post-award activities, such as financial and progress reporting related to the awarded project. Any changes to the schedule will be communicated to the Ultimate Recipient.

The NCC reserves the right to withhold all or any payment when an organization does not comply with reporting requirements for any of its awards.

Holdback

The NCC reserves the right to hold back a portion of funding for each project, up to 10% of the total awarded funds, to ensure the fulfillment of all NCC administrative and reporting obligations.

Final Disbursement

The release of any held-back amount occurs after the project's conclusion and upon the receipt and satisfactory evaluation of the final financial report by the NCC. Following project completion, the final NCC contribution will be based on the actual total eligible costs incurred during the project.

Management and Oversight of Awards

The Ultimate Recipient is responsible for the timely implementation of NCC-funded projects and for ensuring that funds are properly managed in compliance with NCC guidelines and requirements. The recipient organization must ensure that funds are properly managed and that the terms of the URA are complied with throughout the duration of the funded project.

The NCC is committed to continued collaboration with the recipient organization to develop strategies to ensure risk mitigation, project implementation and completion.

NCC Oversight Framework

The framework and guidance provided by the NCC will also ensure compliance with the expectations set out by the Government of Canada regarding both funding and national security.

To support project success, the NCC will implement oversight activities such as progress reporting and meetings, contribution audits, and other activities as needed. Outcomes of these activities may be shared with NCC stakeholders, including federal funders.

Organizational Management and Oversight

Ultimate Recipients are responsible for putting into effect appropriate policies, practices, processes and controls for effective organizational management and oversight of NCC-funded projects. These oversight activities should be adapted to each project based on complexity, funds awarded, and scale.

Account Administration

Procurement of infrastructure

The NCC expects that its funds will be used effectively and economically. To maximize the purchasing power of its investment and to ensure a fair and transparent process, the NCC expects that all Ultimate Recipients will follow the usual organizational tendering and purchasing policies and procedures. A formal competitive bid process must be performed as required by organizational policies. Ultimate Recipients should not make any purchase commitments to suppliers when soliciting pricing information during the NCC application stages, ensuring that a formal competitive bid process can be carried out prior to the actual purchase. For items involving in-kind contributions, Ultimate Recipients are also expected to follow its usual policies and procedures, which must follow the guidelines outlined in the Items involving in-kind contributions Section.

Acceptance of cash back or other benefits from a supplier

The NCC does not endorse the procurement of infrastructure, equipment, or materials that would be linked to a promise of cash back or other benefits that would be advantageous to the Ultimate Recipient but not related to an NCC-funded project. If such a benefit is provided, the cost of the infrastructure, equipment, or materials purchased from the supplier must be reported to the NCC net of any benefit received from the supplier (i.e., fair market value less cash back or value of benefit). However, if the benefits are advantageous to the NCC-funded project, the NCC will accept that the infrastructure purchased from the supplier be reported to the NCC at fair market value.

Maintaining financial records and tracking expenditures and contributions

The Ultimate Recipient is responsible for administering NCC contributions and tracking project expenditures and partner contributions. Ultimate Recipients must maintain adequate financial records and ensure that the expenditures and partner contributions comply with the NCC policies and guidelines outlined in this guide. This requirement is also specified in the URA and imposed as a condition of funding in the award agreement.

Ultimate Recipients must also ensure that cash and in-kind contributions from Partner Organizations have been received and expenditures have been incurred after the date of eligibility set for each fund.

Financial records

Ultimate Recipients must maintain a verifiable “audit trail” for all transactions reported in an NCC funded project, including in-kind contributions. Ultimate Recipients must also maintain separate project accounts for each NCC funded project. The financial records must identify the various funding sources and the full actual cost of all eligible items (i.e., items presented in the proposal or updated budget and/or the final financial report) in an NCC-funded project, even if the cost of these items exceeds the estimated cost reported in the proposal or latest approved amendment.

Cash expenditures and contributions related to eligible items are normally expected to be tracked in separate accounts of a general ledger accounting system. Eligible in-kind contributions can be tracked either as part of this system or in other ways, such as in an Excel spreadsheet.

All projects will require the applicant to submit a Claims Report on a quarterly basis until the project ends. These reports will serve to update the project's progress and include a breakdown of all eligible expenses for reimbursement. Please note that funding from NCC will only be disbursed after approval of the submitted Claims Report as provided as part of the reporting documentation in the NCC's Adsigno Portal.

Retention of supporting documentation

Organizations (Ultimate Recipients and Partner Organizations, as applicable) must keep all financial records and supporting documentation (see [Supporting documentation Section](#)) for each transaction reported in an NCC-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. Organizations must keep on file all documentation for audit purposes and provide it upon request. The NCC may request

that the documentation be maintained for a longer period for a given project if this is required for audit purposes.

Cost allocation of a single item shared between projects

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

Supporting documentation

Ultimate Recipients must be prepared to provide supporting documentation for expenditures and contributions related to each eligible item reported in an NCC-funded project. Ultimate Recipients must keep on file the original documentation for audit purposes and provide it upon request. The NCC will accept electronic images if the following conditions are met:

- senior management has authorized the use of electronic images as part of the Ultimate Recipient's normal course of business;
- the Ultimate Recipient has established and documented systems and procedures for the imaging program, and these have been approved by senior management;
- the images are of good quality and are legible and readable when displayed on a computer screen and reproduced on paper; and
- the Ultimate Recipient has adequate electronic record-keeping policies, procedures, and practices to ensure the reliability, integrity and authenticity of the electronic records and the records management system. Ultimate Recipients should refer to the National Standards of Canada publication, [Electronic records as documentary evidence](#) (CAN/CGSB-72.34-2017).

Ultimate Recipients must keep on file the supporting documentation listed in the following pages.

Supporting documentation for expenditures includes:

- Purchase requisitions
- Request for bids
- All bids received following a competitive bid process
- Documentation justifying an exception if a competitive bid process was not undertaken (The exception must be permitted under the organization's purchasing policy.)
- Summary forms documenting bids received and the evaluation and rationale for selection of the successful supplier or service provider
- Purchase orders or contracts
- Receiving documents or statements of work performed
- For travel costs, boarding passes (if available) or other evidence supporting that travel has taken place
- Invoices
- Proof of payments (e.g., cancelled cheque)

Personnel costs

- Supporting documentation for time spent and nature of activities performed and for rate, fee, or fixed percentage

Construction or renovation

- Scaled floor plans showing location of the area funded by the NCC and the size, description, and nature of all such areas (e.g., wet lab, dry lab, office, greenhouse), including non-usable space or common elements (e.g., corridors, washrooms). The distinction between usable and non-usable space must be clear. **For construction or renovation for which the NCC component is part of a larger undertaking:**
- Description of the costing approach used and the analysis leading to the determination of the eligible costs reported to the NCC in the updated budget and financial reports. Confirmation from the architect of:

- the actual gross and net floor areas for the entire undertaking; and
- the actual net area of the NCC-funded space, with reference to attached floor plans.

If the department issues an invoice for services rendered, the invoice may serve as acceptable documentation for both the time spent (if applicable) and the nature of the activities, if the details of those are included.

Supporting documentation for matching contributions

- Agreement or letter confirming the amount contributed and the conditions of funding (if any)
- Proof of receipt (i.e., deposit slip stamped by the bank)

Other supporting documentation

- Supporting evidence for the portion of time the infrastructure is used for research, if other than 100 percent
- Supporting evidence for the portion of space in a facility used for research, if other than 100 percent
- Supporting evidence of key controls in place (e.g., evidence of approval of purchase requisition, purchase order, receipt of goods or services, payment, review of infrastructure changes and request for pre-approval, reconciliation of financial records and financial reports)

For items involving in-kind contributions, see [Items involving in-kind contributions](#) as additional documentation requirements may apply.

Foreign currency transactions

No more than 10% of NCC total awarded funds can be used towards costs incurred outside of Canada.

Foreign currency transactions must be reported in Canadian dollars in the financial reports in accordance with the usual organizational policies and procedures (e.g., using the market

exchange rate in effect at the time the expenditure is recorded in the account, at the invoice date or at the payment date). Using the market exchange rate in effect at the time of the commitment (i.e., purchase order date) is not acceptable. If an organization enters into a foreign exchange contract for a specific transaction to protect itself against fluctuations in the foreign exchange rate and this is approved by the organization's treasury department, the NCC will accept that the contract rate be used to report this transaction. However, there must be a direct relationship between the foreign exchange contract and the transaction (i.e., same amount, same date of settlement of the contract and expected payment to the supplier or service provider). Ultimate Recipients must document this relationship at the onset of the contract.

Items involving in-kind contributions

The NCC expects eligible items involving in-kind contributions to be:

- provided at fair market value;
- provided by non-federal government partners;
- relevant and central to the activities and objectives of the contribution agreement;
- consist of eligible costs as outlined in the Cyber Security Innovation Network cost principles (not including overhead);
- cannot be used to fulfill the leveraging requirements of other federal programs; and
- cannot be reimbursed under the Cyber Security Innovation Network program.

Ultimate Recipients are responsible for ensuring the fair market value reported to the NCC for such items is reasonable.

The NCC reserves the right to make the final determination of eligibility and value for items involving in-kind contributions, to disallow expenditures, and to reduce the NCC award. To avoid a situation where these items may later be deemed ineligible or incorrectly valued, we encourage organizations to contact us early in the process if they foresee a problem in complying with the guidelines.

Direct labour, notably gross wages or salaries paid by the UR, that are paid to perform the funded project are eligible as a cash contribution. Indirect labour expenses (including any and all benefits paid by an employer, such as medical / dental benefits) should be considered as overhead and an in-kind contribution to any successful project. Please contact the NCC at finance@ncc-cnc.ca if you have any questions.

Supporting documentation

If the Ultimate Recipient is accepting an in-kind contribution as part of the matching funds requirement of the program, the Fair Market Value (FMV) of the good or service contributed must:

- be supported by a written acknowledgement of the contribution from the donor including the date of the agreement or transaction, the description of the goods or services provided, and the FMV;
- be supported by a calculation that shows how the value of the good or service was determined;
- be derived from independent supporting evidence:
- include relevant purchase price information for goods and services contributed to the project in-kind such as previous quotes, purchase orders, and invoices for the same goods and services (data from within the previous three years);
- be comparable to market rental rates for equipment provided to the project in-kind (i.e. daily rental rate);
- include current market rates for third party technical experts that are providing services to the project for free; and
- be comparable to market rates for space that is being provided to the project in-kind (i.e. per square foot (psf) market rates for a comparable space).