

BKC Summary Guidance for Funding

Several inquiries have been submitted to BKC related to matching requirements, eligible expenditures, in-kind calculations, etc. While all of this information resides in the Strategic Science Fund (SSF) Program Guide and is reflected in BKC's Contribution Agreement with Innovation, Science & Economic Development Canada (ISED), we have summarized key excerpts to aid our partners and researchers in understanding the funding requirements.

For full details, terms and conditions, please refer to the underlying agreement with BKC related to your funding and the most recent version of the SSF Program Guide: <https://ised-isde.canada.ca/site/strategic-science-fund/en/strategic-science-fund-program-guide>

Matched vs. Leveraged Funds

The required ratio of 1:0.8 for recipients of SSF funding refers to the ratio of SSF Funds to **Matched Funds**.

Matched Funds: New, incremental contributions for SSF **Eligible Costs** (cash or **in-kind**), which would not exist in the absence of an SSF award (i.e., that can be directly attributed to SSF funding). Eligible sources include non-federal partners or revenues (including donations).

Ineligible sources include:

- All federal sources of funds, including all federal funds that flow through separate entities (e.g., Tri-Agency funding to universities, federal funding to other organizations). While these sources of funds cannot count as matching, collaborations with the holders of those funds and with Federal Science-Based Departments and Agencies are encouraged.
- Funds that have been reported as matching funds for another federal program.

Examples of matched funds:

- Private-sector contributions earmarked to advance specific SSF-funded activities
- Provincial awards to support the advancement of SSF-funded activities or research projects in that province

Leveraged Funds: Existing investments in the ecosystem being leveraged to further the objectives of the SSF recipient. This includes cash or **in-kind** contributions from federally funded entities and from federal departments and agencies.

Examples of leveraged funds:

- Existing NSERC, SSHRC or CIHR projects with work that will be complementary to the SSF activities.
- The rental value of CFI-funded equipment that is essential to the delivery of SSF activities.
- Projects funded in collaboration with other SSF-supported recipients.

In-Kind Contributions

In Kind Contributions reported under **Matched Funds** or **Leveraged Funds** must meet the following definition and be properly valued as per SSF Program guidelines.

In-Kind Contributions: Cash-equivalent goods or services that represent an incremental expense that would not otherwise be incurred, and which would have to be paid for with cash if not provided.

In-kind contributions:

- Should clearly support the activities at hand
- Must be eligible expenses under the SSF program guidelines; AND
- Cannot have been used to fulfill the matching requirements of other federal programs.
- Be supported by a detailed valuation

How to value in-kind contributions?

Generally, the value is the cost or fair market value. Detailed guidance is provided in Appendix C of the [SSF Program Guide](#). A few items to highlight with the accepted valuation method:

- *Salaries (General):* Cost including benefits (not overheads, external charge out, consultant rates, etc.)
- *Salaries (Academic researcher):* Actual costs to the institution for release time from teaching duties (e.g., the cost of hiring a sessional instructor for course release may be counted); not acceptable: academic faculty salaries
- *Salaries (Clinicians):* Cost related to time devoted to working on SSF projects that are additional to their routine activities
- *Equipment:* Cost/fair market value depending on whether donated used, donated new, or loaned; not acceptable: list price or rental equivalent
- *Hospitality:* Cost; not acceptable: including alcoholic beverages.
- *Use of facilities:* Cost of access to the facility, or internal rates for use of specialized equipment or for value resulting from downtime.

Eligible Activities

Eligible Activities are those that will contribute to attaining the objectives of the recipient. Recipients must clearly outline how their proposal's activities will meet the objectives and expected results of the SSF.

Eligible Activities specific to each recipient will be included in the respective funding agreement, and may include:

- Research and the translation of research in critical areas of science and technology for the development of products and services, including treatments, technologies, interventions, as well as for informing public policy development and decision-making;
- Communication, dissemination and exchange of research results;
- Collaborative activities, including participation of Canadian researchers in international projects;
- Stakeholder engagement and efforts to convene the research community;
- Activities to support the creation, growth and retention of companies;
- Training and delivery of work integrated learning;
- Internships;
- Activities to attract, retain and develop highly qualified and industry-ready personnel;
- Development and delivery of science, technology, engineering and mathematics (STEM) learning activities;
- Public education and communications related to science;
- Fundraising efforts designed to generate awareness and interest in research activities and help to secure additional financial resources; and,
- Day-to-day operations as they relate to the fulfillment of the terms of the contribution agreements.

Activities outside Canada: Recipients shall not use funds for activities conducted outside of Canada without the prior written consent of BKC and the Minister.

Eligible Costs

Eligible Costs are those incurred by the recipient and which, in the opinion of BKC and the respective Minister, are reasonable and required to carry out the **Eligible Activities** to which they relate.

Limitations:

- **Administrative/overhead costs** – The rate must be established considering the scale of the project (i.e., not using a general flat-rate charge which does not consider context) and **does not generally surpass 15% of project costs**.
- **Salaries:** Maximum remuneration costs paid with SSF Funds (including all salaries and rates charged by contractors) cannot exceed the current Full-Time Equivalent rates of pay for public service employees for a similar function. The organization may decide to pay above these scales but cannot do so with SSF funds.
- **Hospitality Costs:** Hospitality costs must be aligned with standards set out in Appendix B of the federal [Directive on Travel, Hospitality, Conference and Event Expenditures](#)
- **Travel and Accommodation Costs:** Costs must be aligned with the federal [National Joint Council's Travel Directive](#)
- **Capital Assets:** Recipients shall retain title to, and ownership of, any assets whose cost has been contributed to by BKC/SSF and shall not sell, assign, transfer, encumber, pledge, grant any security interest to, or otherwise dispose of such assets unless:
 - (a) Recipient has obtained the prior written consent of BKC and the Minister, on such conditions as the Minister may require;
 - (b) the asset was acquired at a cost of less than one thousand dollars Canadian (CAD \$1,000.00); or
 - (c) the asset is worn, outdated or damaged and is sold, transferred or disposed of in order to be replaced and the proceeds of sale of the asset are used for the acquisition of the replacement, in which case the asset must be sold for fair market value.

Ineligible Expenses/Costs

- Costs associated with the construction of, or major renovation to building and structures;
- Flat-rate charges for overhead costs (indirect costs);
- The purchase or lease of land;
- Alcoholic refreshments;
- Hospitality costs for meetings only attended by the recipient's staff;
- Acquisition of major research equipment (with a net federal cost above \$250,000).
- Costs associated with the lobbying of federal officials or public office holders (including by hiring outside firms or consultants);
- Any costs that cannot be deemed reasonable, as described in the SSF Guide.

Payment Schedules and Carry Over

- SSF and BKC fiscal year runs April 1 – March 31. Grant terms are generally established on a fiscal year basis.
- Where a funding proposal is approved for a **multi-year term**:
 - Payments are generally made in the form of annual advances.
 - The first advance will be issued on the execution of agreement(s) and the corresponding Notice of Award.
 - Annual advances are generally issued by BKC to recipients in early April
 - Annual advances are dependent on meeting all reporting deliverables to date and are subject to BKC internal review/approvals and are subject to all terms of the underlying agreement(s).
 - Recipients may **carry over** SSF funds advanced **up to 10%** of an annual advance to the subsequent year **within the approved term** without special approval.
 - Any excess from advance payments may be deducted from further payments and/or may be considered an overpayment which would require a repayment of the excess amount.