Digital Technology Supercluster COVID-19 Program

Co-investment Guidelines
# Table of Contents

- DISCLAIMER ......................................................................................................................... 3
- INTRODUCTION .................................................................................................................. 4
- CO-INVESTMENT AMOUNT ................................................................................................. 4
- ELIGIBLE ORGANIZATIONS ................................................................................................. 4
- CO-INVESTMENT ELIGIBILITY PRINCIPLES ....................................................................... 5
  - ELIGIBLE PROJECT COSTS ............................................................................................. 5
  - INELIGIBLE PROJECT COSTS ........................................................................................ 6
- CONDITIONS OF CO-INVESTMENT ..................................................................................... 6
Disclaimer

This document is for information purposes regarding eligibility for Supercluster co-investment in COVID-19 Program projects. This information may change as the program evolves. The information is not binding, and actual investment determinations will be made by the Supercluster.
Introduction

The Supercluster will invest in projects that align with the Areas of Focus outlined in the COVID-19 Program Guide, namely projects that will deliver digital technology solutions to improve the health and safety of Canadians and Canada's ability to address the COVID-19 outbreak, as well as future health crises.

The Supercluster will align investments with critical needs identified by the Government of Canada and work to coordinate funding with other federal and provincial funding programs so that, together, we deliver digital solutions in this extraordinary environment.

Due to the extraordinary nature of the COVID-19 environment, calling for extraordinary measures to support organizations who can deliver effective solutions, the Supercluster may apply special measures to expedite the delivery of project outcomes and/or to enable organizations to participate in the Program.

Co-investment Amount

During the period April 1, 2020 to March 15, 2021 and under the COVID-19 Program, selected project teams are eligible to receive reimbursement of between 43% and 100% of total project costs. The Supercluster will determine the specific co-investment percentage rate for each selected project. Investment is subject to the eligibility of project costs and is only available for eligible members in good-standing.

After March 15, 2021, the co-investment may be adjusted to a maximum of 43% and otherwise consistent with the Technology Leadership Program. See the Technology Leadership Program Guide and Co-investment Guidelines for details.

Eligible Organizations

Collaboration is core to the Supercluster. In some exceptional situations, the Supercluster may invest in single company initiatives. Potential partners and/or sub-contractors that will be involved in the execution of the project must be identified in the proposal and their costs included in the project budget.

The Supercluster will fund an industry member that leads a consortium-based project team of
organizations participating in the project. Other project participants will receive funds from the lead industry member under a related arrangement.

**Co-investment eligibility principles**

Project costs eligible for Supercluster co-investment are those that are incremental, reasonable, direct costs, that are related to achievement of the project deliverables and outcomes.

Recognizing the exceptional current circumstances, it is expected that all costs incurred by project participants will be justified and reasonable and that service providers will offer discounted rates.

**Eligible Project Costs**

Project costs eligible for Supercluster co-investment are:

a) direct costs of the project;

b) gross wages, salaries or contracts incurred on project activities;

c) up to 20% of eligible employee benefits (e.g. disability, extended health, etc.);

d) incremental costs related to equipment, facilities, supplies, rental, dissemination, or maintenance costs;

e) user fees;

f) travel costs, including meal and accommodation costs in accordance with the [National Joint Council Travel Directive](#);

g) capital expenditures vital for the success of research. Amounts over $1 million require separate approval in advance;

h) foreign costs will only be considered on an exceptional basis and separate approval required in advance;

i) discounted cash costs, which are a good or service that is sold, or will be sold, as part of an organization’s normal business model. These costs are assessed at fair market value, require pre-approval and are maxed at 25% of project costs.
Ineligible Project Costs
Project costs not eligible for Supercluster co-investment are:

a) costs unrelated to achieving the objectives of the project;
b) construction costs, purchase of a building or land;
c) gross wages, salaries or contracts for individuals in excess of $300,000 per year;
d) contingencies, fines, penalties, cancellation fees, losses, bad debts;
e) taxes except provincial sales tax;
f) depreciation or amortization, excess facilities, vacant or unused space;
g) honoraria, gifts, donations, entertainment expenses and alcoholic beverages;
h) dues and other memberships;
i) discretionary severance or separation packages;
j) extraordinary or abnormal fees for professional advice;
k) costs related to the routine administration and operation including overhead;
l) costs or funding for which any project consortium member organization is eligible for a rebate or tax credits from federal, provincial, territorial or municipal government sources;
m) legal, accounting and consulting fees in connection with contract negotiations, litigation or financial reorganization.

Conditions of Co-Investment
a) A signed COVID-19 Master Project Agreement plus a supporting budget
b) Membership in good standing with the Supercluster
c) Reporting in timely and accurate manner