

Schedule 6- Lead Recipient In-Kind Contribution Guidance

Introduction

Under the Cyber Security Innovation Network program, in-kind contributions are defined as cash-equivalent goods or services that replace an incremental expense that would have to be paid with the ISED contribution if not provided by other partners. In-kind contributions must be provided at fair market value and be relevant and central to the activities and objectives of the contribution agreement and must be eligible costs as per the Cyber Security Innovation Network cost principles.

In-kind contributions can be provided as part of the cost-match requirement of the program up to an annual limit of 50% in years 1 and 2 and 25% in years 3 and 4.

It is the Lead Recipient's responsibility to substantiate all in-kind contributions and have supporting documentation on hand.

Guiding principles for in-kind contributions

- ✓ 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
- ✓ cannot be reimbursed under the Cyber Security Innovation Network program

Reporting responsibility

The nature of an in-kind contribution and its valuation must be detailed. It is the responsibility of the Lead Recipient to ensure that a proper accounting framework is created so that the reported value for all items is reasonable. ISED program officials may request justification for valuations.

As part of the quarterly progress report, the Lead Recipient must report on in-kind contributions used for Network Activities during the reporting period and detail additional in-kind commitments received during the reporting period.

Examples of in-kind contributions

- Materials and supplies that are incremental to Network Activities and would have otherwise been purchased with the ISED contribution.
- An existing asset that is used directly in carrying out Network Activities and would have otherwise been purchased or rented with the ISED contribution.
- Sourcing and providing technical expertise from a third party for Network Activities for free and would have otherwise been subcontracted and paid for with the ISED contribution.

- Workspace that is incremental to Network activities and would have otherwise been rented with the ISED contribution.
- Subscriptions required for research that are provided for free in carrying out Network Activities and would have otherwise been purchased with the ISED contribution.

*please note that direct labour for Network Activities is considered a cash cost and not an in-kind contribution.

Supporting documentation

If the Lead 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:
 - 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);
 - comparable market rental rates for equipment provided to the project in-kind (i.e. daily rental rate)
 - current market rates for third party technical experts that are providing services to the project for free;
 - comparable 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)