



Call for Proposals

**Funding
Program Guide:
Pre-Award**

www.ncc-cnc.ca

Contents

| | |
|--|-----------|
| How To Use This Guide | 3 |
| The National Cybersecurity Consortium | 4 |
| NCC Membership..... | 5 |
| The Grant Competition Process..... | 6 |
| Announcement of Funding Calls | 6 |
| Information Sessions | 6 |
| Questions Concerning a Call | 6 |
| Submission Overview | 7 |
| Grant Competition - Review Process Overview | 8 |
| External Reviewers..... | 8 |
| Stage 1: LOI Review | 8 |
| Stage 2: Project Proposal Review | 9 |
| Stage 3: Administrative Details Review | 9 |
| Notice of Award..... | 11 |
| Appeal Process..... | 12 |
| Pre-Award Program Funding Information | 13 |
| Overall NCC Funding Focus..... | 13 |
| Funding Request and Matching Contributions..... | 13 |
| Eligible Sources of Matching Contributions | 14 |
| Ineligible Sources of Matching Contributions | 14 |
| Matching Contributions – Cash or In-Kind | 14 |
| Organizations Eligible to Receive NCC Funding..... | 15 |
| Organizations Ineligible to Receive NCC Funding | 15 |
| Eligible Project Costs..... | 15 |
| Eligible Cost Activities..... | 15 |
| Eligible Project Cost Categories | 16 |
| Indirect Project Costs..... | 18 |
| Eligibility Dates..... | 20 |
| Ineligible Project Costs | 20 |
| Research Security and Intellectual Property | 22 |
| Research Security..... | 22 |
| Intellectual Property (IP) Ownership | 22 |

How To Use This Guide

The NCC's Funding Program Guide details the various eligibility requirements, application submission, and evaluation processes for funding calls, and the administration 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's 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 National Cybersecurity Consortium (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.

NCC Membership

As the NCC is a member-driven organization, the potential Ultimate Recipient, as well as its confirmed Partner Organizations, will need to be members in good standing of the NCC to receive funds from the NCC.

It is expected that the Ultimate Recipient's (ie. the Lead Organization on the application) base membership will be paid in full by the close of the Project Proposal period. If the project is successful in receiving NCC funding, the Ultimate Recipient will be required to pay an additional 3.5% incremental membership fee based on the amount of awarded funds. Note: membership fees are not an eligible expense of the NCC or of CSIN project funding.

For Project Proposals that proceed beyond Stage 3 of a Grant Competition, Partner Organizations identified as receiving NCC funding from the project must also become members in good standing of the NCC. Partner Organizations will be expected to pay the base membership fee appropriate for their size and category of organization.

Please contact projects@ncc-cnc.ca for more information on membership fees or visit the NCC's website at ncc-cnc.ca.

Note: The terminology used when referring to an organization applying to the NCC funding program is "Project Lead". When an application is funded, the Project Lead will normally become the "Ultimate Recipient" for post-award activities and obligations.

The Funding call Process

The NCC's grant competition process for project funding is run in three stages:

- Letter of Intent (LOI);
- Project Proposal; and
- Administrative Details Submission.

Call-specific guidance on requirements, eligibility, and review processes for each of these stages will be included in the guide related to the specific Call.

Announcement of Funding Calls

Funding calls are announced via the NCC's communication channels, in both official languages. Each call announcement will include all relevant information, including scope, and call requirements needed for an applicant to determine their eligibility, cost-match responsibility, and project suitability.

To stay up to date on funding calls, webinars, and other industry news, sign up for the NCC's newsletter at www.ncc-cnc.ca.

Information Sessions

Information Sessions, hosted online and in both official languages, will be provided after the announcement of each call.

The purpose of Information Sessions is to provide general information to applicants on the objective of the call, applicant and project eligibility, and application deadlines. These sessions will offer an opportunity to ask questions and make inquiries of the NCC staff.

Questions Concerning a Call

Outside of call-specific webinars, all questions related to a call should be submitted to projects@ncc-cnc.ca. Frequently Asked Questions (FAQ) and any other supporting information will be published and updated regularly to clarify any issues for interested applicants.

Submission Overview

All applications must be submitted using the mechanism and instructions published by the NCC.

All eligible Organizations can submit a Letter of Intent (LOI) for consideration. Submissions that meet the requirements for the LOI will be invited to submit a Project Proposal for review. The Project Proposal may be completed by the Project Lead or their Partner Organizations but in all cases, the Project Proposal must be submitted by an organizational Authorized Signatory by the indicated deadline.

Funding Call - Review Process Overview

Applications in the Funding call Process are assessed through a review process designed to ensure an open, fair, and transparent result.

The NCC will use a combination of internal and external subject matter experts for review. Internal subject matter experts will review submissions for eligibility, whereas external subject matter experts will review and score proposals for merit, potential ecosystem impact, and feasibility.

Each Funding Call will have specific objectives and assessment criteria. Submissions must satisfy the requirements outlined for each assessment criterion or call objective as noted in the Call Guide related to the specific Call.

Applicants are encouraged to review individual Call Guides for detailed evaluation information. Call Guides will be published on the NCC's website at www.ncc-cnc.ca.

External Reviewers

External Reviewers are volunteer subject matter experts in cybersecurity fields. They are enlisted based on individual experience and expertise, and do not represent individual organizations. The NCC seeks to ensure a diversity of perspectives by including subject matter experts from across Canada, different areas of focus, and organization types.

Reviewers will be required to sign non-disclosure agreements and indicate and document real, perceived, or potential conflicts of interest. External Reviewers are responsible for assessing proposals based on the provided evaluation criteria and will provide written feedback, scores, and/or comments to justify their evaluation.

An Evaluation Committee comprised of external reviewers and led by the NCC's Scientific Director will be formed and will assess the submissions using the comments and scores provided by the reviewers assigned to specific proposals.

Stage 1: LOI Review

The LOI stage is designed to determine if the submission is eligible for funding based on alignment with the funding call's objectives, project budget, organizational eligibility, NCC Membership status, and matching funding recommendations. The NCC will also review

submissions to identify potential collaborations between similar projects to increase pan-Canadian networking and project impact.

LOI applications that meet eligibility criteria will be invited to submit a Project Proposal.

Stage 2: Project Proposal Review

Project Proposal evaluation criteria will focus on merit, feasibility, impact to the Canadian cybersecurity ecosystem, economic, innovation, social benefits, technological advancement, and/or the potential for commercialization in Canada. The review of submitted Project Proposals will be based on call-specific evaluation criteria that are included in the Call Guide related to the funding call.

Applicants are encouraged to review individual Call Guides for detailed evaluation information. Call Guides will be published on the NCC's website at www.ncc-cnc.ca.

At the Stage 2 deadline, the NCC will conduct an administrative review to ensure completeness, eligibility (including membership status), and readiness for review. Once confirmed, submissions will be assigned to external reviewers to score and comment on. All reviewer scores and/or comments will be submitted to the NCC for compilation. The Evaluation Committee will meet in consensus meetings, chaired by the Scientific Director, to create a shortlist of applications recommended for funding pending successfully completing Stage 3.

Proposals that are successful at Stage 2 will be invited to submit documentation for an administrative details review and may be requested to provide additional clarification about the content of the Project Proposal itself.

Stage 3: Administrative Details Review

Applicants moving to Stage 3 will be required to submit additional administrative information to the NCC as identified in the Call Guide. These administrative documents will vary depending on the type of submission and must be in place before a final decision on an application can be made. This stage is intended primarily to collect this information and review it in light of the project itself.

Additional documentation may be requested to support the application and Project Leads may be requested to address comments/questions from the Evaluation Committee in Stage 2. The NCC will review the additional documentation and any responses from Project Leads to ensure the application meets all program requirements.

The final assessment of applications is based on all elements collected in all stages of the application process.

NOTE: the NCC and our federal funder reserve the right to withdraw the proposal under consideration and deny funding should there be any concerns with the proposal materials and/or requested information and documentation.

Notice of Award

Project Lead(s) and their Organization(s) will receive notice regarding the funding status of their application.

The NCC is committed to funding meritorious and feasible projects first and foremost. The NCC reserves the right to fund only those projects that have successfully met the objectives of the call based on the applications received.

Appeal Process

Applicants who have concerns about the funding call and review process, as applied to their specific application, can submit a written appeal within thirty (30) days from the date the project selection decision was communicated to them.

The grounds for such an appeal must be clearly articulated and the remedy sought must be included in the appeal, in addition to evidence to support the claim. The NCC Leadership (including Board representation) will identify a three-member *ad hoc* Appeals Committee to adjudicate the appeal. The Evaluation Committee Chair (i.e., Scientific Director) will be invited to participate and to address any process-related questions from the *ad hoc* Appeals Committee. The Appeals Committee will determine if the final status of the project selection was impacted by the evaluation process as demonstrated by the evidence provided. The decision of the Committee will be considered final, and no further appeals will be considered. In the event of a favourable decision on the appeal, an appropriate remediation will be defined to ensure fairness in the process.

Pre-Award Program Funding Information

Overall NCC Funding Focus

Drawing on the expertise of researchers and practitioners from various disciplines, the NCC helps build theoretical and practical solutions to important problems on a broad range of cybersecurity domains such as network security, critical infrastructure protection, systems security (mobile, software, IoT), privacy and privacy-enhancing technologies, security analysis and risk management, security visualization, and human-centric cybersecurity.

The NCC is seeking to fund projects under three major categories:

- Research and Development (R&D);
- Commercialization; and
- Training.

To participate in our funding calls, an Organization must be eligible to receive and administer NCC funding. Complete details on Organizational Eligibility can be found in the individual Call Guides.

Funding Request and Matching Contributions

Depending on the parameters of a specific call, the NCC may fund up to 100% of a project's total eligible costs for academic and not-for-profit organizations, and up to up to 50% of eligible costs for projects led by private-sector organizations.

Matching contributions may come from non-federal government sources, however there may be some limitations. Please contact the NCC for further discussions as to eligible government sources of match.

In no instance will the total Government Funding (including NCC funding; provincial, territorial, or municipal funding; provincial and federal investment tax credits) exceed one hundred percent (100%) of Funded Eligible Costs to any one eligible Organization. This limit will be calculated for each individual eligible Project if more than one eligible project is selected for a Lead Organization.

Eligible Sources of Matching Contributions

Cost matching contributions can be from any non-federal government (Canadian) source, including:

- Centres of expertise on cybersecurity affiliated with post-secondary organizations;
- Private sector;
- Canadian post-secondary organizations;
- Not-for-profit and / or philanthropic sources; and
- Provincial/territorial/municipal governments.

Ineligible Sources of Matching Contributions

As the NCC is funded by the Ministry of Innovation, Science and Economic Development (ISED), there may be sources of matching contributions that would be considered ineligible. Eligibility will be assessed on a case-by-case basis. Potential applicants should contact the NCC for further information on ineligible sources of matching contributions.

Matching Contributions – Cash or In-Kind

The NCC is committed to furthering the government's investment into projects by requiring matching contributions. Matching contributions may be classified as either "cash" or "in-kind".

- Cash - funding commitments from another source providing goods or services that are purchased specifically for the project.
- In-Kind - means cash-equivalent goods or services that replace an incremental expense that would be paid with the awarded funds or funding commitments from another source providing goods or services that were not initially purchased or procured for the project.

Note: A call may have recommendations for the proportion of in-kind vs cash that can constitute the total matching contribution amount.

Organizations Eligible to Receive NCC Funding

To participate in our funding competitions, an Organization must be eligible to receive and administer NCC funding.

Eligible Organizations include:

- Post-secondary Institutions;
- Private industry that carry out their activities primarily in Canada;
- Non-profit organizations that carry out their activities primarily in Canada; and
- To be eligible, an Organization must:
 - Be situated in Canada; and
 - Be a member in good standing with the NCC.

Additional clarification and documentation may be requested by the NCC to confirm eligibility.

Organizations Ineligible to Receive NCC Funding

The following types of Organizations are considered ineligible and cannot apply for or receive NCC funding:

- Federal government departments, departmental corporations, Crown corporations or wholly owned subsidiaries of Crown corporations; and
- Provincial or territorial departments, agencies, or Crown corporations (except for post-secondary institutions, research hospitals and research institutes).

Eligible Project Costs

Eligible Costs incurred and paid by the Lead Organizations are those which are essential for project execution and directly support the project milestones.

Eligible Cost Activities

For the funded projects, Eligible Costs will generally include expenditures related to the following activities:

Collaborative cybersecurity technology research and development, such as:

- conceptual design, proof-of-concept validation, prototype development, creation of intellectual property, technology/product testing, knowledge mobilization activities; and,
- development of new products, services and/or processes.

Commercialization of innovative cybersecurity products and services, such as:

- activities related to the exploitation and retention of Eligible Project Intellectual Property; and,
- business development services for firms to facilitate access to new customers and expand markets, which may include market studies and advisory services, in addition to other business services (e.g., linking start-ups with strategic partners, “pitch days”, marketing activities, IP strategy development, etc.).

Development of innovative national approaches to address skills and labour gaps in Canada and to enable Canadian companies to address cyber security challenges, such as:

- identifying and communicating industry-oriented skills needs (e.g., assessment of industry’s current or anticipated workforce needs, building awareness of industry demand for skilled talent across stakeholder groups, environmental scans, workshops;
- training modules (including upskilling and reskilling solutions);
- development and promotion of education pathways for defined studies in cyber security; curriculum development, and support for teaching capacity to deliver the curriculum;
- coaching/mentoring; and,
- co-op and other types of Work-Integrated-Learning (WIL) opportunities (e.g., apprenticeships, internships, practicums, etc.) and solutions to help businesses onboard students into occupations.

Eligible Project Cost Categories

Eligible Cost categories may include the following:

Direct labour: meaning the portion of base salaries of staff working directly on project milestones through eligible activities, in a technical capacity, supporting the overall project

success. All costs incurred in Direct Labour must be paid for directly via the organizational payroll system, or cost accounting system. The cost accounting system should clearly indicate the allocation of an employee's hours worked on the awarded project. Term/contract staff hired by the Lead Organization to work on the awarded project would be considered direct labour. Please note that all benefits, including staff bonuses, RRSP, EI and CPP benefits, and medical and dental costs. These should instead be included in the Indirect Cost Category. Executive staff oversight should be included in Indirect Costs, except in the case of executive staff serving in a technical capacity to directly support project deliverables.

Subcontractors and consultants: meaning the costs of subcontracts or consultants for work or services performed by an external third party or Affiliated Person (except a wholly owned subsidiary), which can be specifically identified and measured as having been incurred and paid for to execute the awarded project. The Lead Organization cannot be a recipient and a subcontractor on the same eligible project.

The indirect cost (overhead) rate calculation for the recipients does not apply to bona fide subcontractors and consultants.

** In the case of high subcontractor and consultant costs or low direct labour costs: indirect costs (overhead) thresholds calculated to a maximum of 5% on eligible subcontractor and consultant costs, but no more than 15% of the NCC funds may apply.*

Equipment: meaning the capital cost of equipment, which is incurred and paid and can be specifically identified as having been purchased for the awarded project and measured consistently by the Organization's costing system. **Up to 20% of funds** may be used for equipment and infrastructure for research, development, commercialization, and student/researcher training.

Capital equipment acquired under the Agreement may be subject to the Minister's approval for disposal.

Equipment costs include but are not limited to, the purchase and lease of equipment necessary for awarded project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs.

Direct costs: meaning those Eligible Costs which can be specifically identified and measured as having been incurred and paid by the Lead Organizations for the awarded project and which are so identified and measured consistently by the Lead Organizations' costing system.

Travel and outreach costs: meaning those travel Eligible Costs incurred and paid by the Lead Organizations that are directly related to the awarded project, including any travel outside of Canada. Travel costs shall not include expenses for regular daily commutes, travel insurance, or travel upgrades. Travel expenses shall be appropriate, economical, and reasonable and are available to most of the employees of the Lead Organization. Travel costs can be claimed, to the maximum allowance, as per the conditions in the [National Joint Council \(NJC\) directive](#) or Treasury Board Secretariat policies.

A copy of the Organization's travel policy may be required for review by the Minister during the claim process.

Costs incurred outside of Canada cannot represent more than 10% of submitted total Funded Eligible Costs. These costs include engaging non-Canadian staff or researchers to work directly on project deliverables outside of Canada, and using non-Canadian equipment to directly support project deliverables outside of Canada. No travel costs, whether inside or outside of Canada, should be included in this cost category.

Indirect Project Costs

Indirect costs (also called overhead), are those costs which, though necessarily having been incurred and paid by the funded project and are not directly necessary the carrying out project deliverables of the awarded project.

Indirect costs (overhead) include:

Indirect materials and supplies including but not limited to, supplies of low-value, high-usage and consumable items which meet the definition of direct costs but for which it is commercially unreasonable, in the context of the awarded project, to account for their costs in the manner prescribed for direct costs. Costs such as stationery, office supplies, postage and other necessary administration and management expenses.

Indirect labour and overtime premium for project staff all types of benefits paid by employer including but not limited to: the Canadian Pension Plan (CPP), Employment Insurance (EI), fringe benefits, medical benefits, dental benefits, pension benefits and other taxable benefits, the remuneration of executive and corporate officers working in project oversight roles (including bonuses and incentives), general office wages and salaries which support the project success, and clerical expenses clerical expenses related to the administration and management of the awarded project; (HR, Accounting/Finance staff). Any non-technical project support work should be included in Indirect Labour. Note: Benefits related to Direct Labour cannot exceed 55% of the total allocation of Direct Labour on an awarded project.

Administration costs spent on the following activities are considered indirect costs:

- review and approval of documents;
- oversight;
- quality review;
- strategic guidance;
- participation in all-staff meetings;
- professional development (excludes professional certification);
- performance reviews; and,
- any costs associated with interactions with the Government of Canada, including:
 - application;
 - submission;
 - claims;
 - amendment;
 - audit; and,
 - reporting and communications.
- Indirect equipment costs including, but not limited to, maintenance cost of assets, office equipment, office furniture, etc. which generally support project success.; and,

- other indirect costs including, but not limited to, daily commutes, unreasonable modes of transportation, general software and licenses, and travel insurance which can be clearly linked to the project.

Notwithstanding the above, Indirect Costs (overhead) will not include those Direct labour (salary) costs.

The maximum overhead amount as it relates to benefits and premiums, is 55% of total eligible direct labour and cannot exceed 15% of the NCC funds. This threshold will apply for each awarded project.

Eligibility Dates

Applicants are responsible for ensuring that cash and in-kind contributions from Partner Organizations have been made, as well as expenditures incurred, after the eligibility date set for each fund.

Expenditures are considered incurred when goods are received, services have been rendered or work has been performed.

Eligibility dates are provided in the call for proposals for each fund or competition.

Ineligible Project Costs

Certain costs incurred and paid by the Lead Organizations are not eligible for reimbursement ("ineligible costs"), regardless of whether they are reasonably and properly incurred and paid in the carrying out of the awarded project,

Ineligible Costs include:

- a) direct support for professional certification;
- b) any form of interest paid or payable on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges; the interest portion of the lease cost that is attributable to cost of borrowing regardless of types of lease;
- c) legal, accounting and consulting fees in connection with financial reorganization (including the set-up of new not-for-profit organizations), security issues, capital stock issues, obtaining of licenses, IP litigation costs, establishment and management of agreements with Lead Organizations and prosecution of claims against the Minister. Such legal costs associated with developing the agreement template and in connection with obtaining patents or other statutory protection for the awarded project's intellectual property are considered eligible;
- d) losses on investments, bad debts and expenses for the collection charges;
- e) losses on other projects or contracts;
- f) federal and provincial income taxes, goods and services taxes, value added taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes, except duty taxes paid for importing is an eligible cost.
- g) provisions for contingencies;
- h) premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the organization(s);
- i) depreciation of assets;
- j) fines and penalties;
- k) expenses and depreciation of excess facilities;
- l) unreasonable or inconsistent compensation for project staff;
- m) product development or improvement expenses not associated with the work being performed for the awarded project;
- n) advertising, except reasonable advertising of an industrial or organizational character placed in trade, technical or professional journals for the dissemination of information for the industry or organization;
- o) entertainment expenses (including but not limited to, catering, alcohol, non-travel expenses);

- p) donations;
- q) dues and other memberships other than regular trade and professional associations;
- r) selling expenses associated with the products or services or both being developed under the contribution agreement; and,
- s) recruiting fees and any associated costs.

Research Security and Intellectual Property

Research Security

The NCC recognizes that open and collaborative research is indispensable to pushing the boundaries of science and addressing complex cybersecurity challenges.

The NCC further recognizes that there may be risks involved in pursuing research and innovation, including theft, interference, or the unintended and unwanted transfer of knowledge and results. It is imperative for organizations to be aware of potential research security risks, and to take the necessary steps and precautions to ensure the security of the Canadian cybersecurity research ecosystem.

In 2021 the Government of Canada introduced the [National Security Guidelines for Research Partnerships](#) to integrate national security considerations into the development, evaluation, and funding of research partnerships. We encourage researchers to review those guidelines as well as the guidance provided on the [Safeguarding Your Research](#) website to assess research partnerships and undertake due diligence with any partner or funder.

Intellectual Property (IP) Ownership

The NCC encourages using research results and new technologies in cybersecurity to benefit Canadians. The NCC further encourages the development of productive partnerships, as these partnerships are among the most effective means of knowledge transfer and translation. The NCC does not keep or claim any ownership of, or exploitation rights to, any intellectual property arising from NCC-funded infrastructure projects. The NCC expects the recipient organization to determine intellectual property rights in accordance with its organizational policies and to make explicit any IP arrangements with its partners in any

project supported by the NCC. However, in the absence of a project specific IP arrangement, the NCC supports an "inventor owned" approach to IP.