



# **NETWORKS OF CENTRES OF EXCELLENCE**

## **PROGRAM GUIDE**

Government of Canada  
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Natural Sciences and Engineering Research Council of Canada  
Social Sciences and Humanities Research Council of Canada

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# 1. Background on the Networks of Centres of Excellence Program

Since its creation in 1989, the Networks of Centres of Excellence (NCE) program has brought together the best minds across disciplines and sectors to solve critical social, economic and health issues for Canada and the Canadian population. The program supports large-scale academically led research Networks that harness the creativity and inventiveness of Canadian health, natural, and social scientists and engineers. A NCE Network is a virtual collaboration model creating a critical mass of expertise by connecting researchers, highly qualified personnel, and knowledge-users across public, academic, private, and not-for-profit sectors and who geographically span the country.

Program evaluations ([available online](#)) provide further details on the relevance and effectiveness of the NCE program.

The NCE program is overseen by a tri-agency Steering Committee ([NCE Steering Committee](#)) made up of the Deputy Minister of [Innovation, Science and Economic Development](#) Canada (ISED), the Deputy Minister of [Health Canada](#), the Presidents of the three federal granting agencies [[Canadian Institutes of Health Research](#) (CIHR), [Natural Science and Engineering Research Council](#) (NSERC), and the [Social Science and Humanities Research Council](#) (SSHRC)] and the President of the [Canada Foundation for Innovation](#) (as an observer).

Day-to-day administration of the NCE program is provided by the NCE Secretariat.

The NCE Secretariat runs periodic national competitive processes through which the NCE Steering Committee selects successful Networks on the advice of expert peer review panels and a [Standing Selection Committee](#).

## NOTE:

- For a glossary of terms used throughout this guide refer to the online [NCE glossary](#).
- For the [NCE – Knowledge Mobilization Initiative](#) (NCE-KM) and the [NCE - International Knowledge Translation Platforms Initiative](#) (NCE – IKTP) refer to the NCE-KM and NCE- IKTP initiative guide.

## 1.1 Program Goal and Objectives

The goal of the Networks of Centres of Excellence (NCE) Program is to mobilize Canada's research talent in the academic, private, public, and not-for-profit sectors and apply it to the task of developing the economy and improving the quality of life of the Canadian population. The program is designed to:

- stimulate internationally competitive, leading-edge, multidisciplinary research in areas critical to Canadian economic and social development;
- develop and retain world-class research and research mobilization capabilities in areas essential to Canada's productivity and economic growth;
- create nation-wide and international partnerships that bring together the key individuals and organizations needed to generate and implement multifaceted solutions to complex Canadian challenges;
- accelerate the exchange of research results within the Network and the use of this knowledge by organizations within Canada to produce economic and social benefits;
- and

- increase Canada's international visibility and reputation as a leader by attracting world-class collaborations, and developing partnerships with international organization counterparts, when applicable.

The NCE program is a cornerstone of the collaborative programs between CIHR, SSHRC, and NSERC. Essential to all NCE Networks is the multi-disciplinarity of the approach to challenges. The NCE program supports Networks operating with a mandate that spans multiple granting agencies, involves multiple institutions, and are pan-Canadian.

## 1.2 Expected results and outcomes

The goal and objectives of the NCE program are accomplished by investing in national Networks that yield some of the following benefits:

- increased networking and collaboration among researchers from Canada and abroad;
- leading-edge research findings that are relevant to the needs of the user sector (e.g. private and public sectors, non-governmental organizations, and others) and Canada's socio-economic development;
- nation-wide, multidisciplinary and multisectoral research partnerships between universities and the user sector (e.g. private and public sectors, non-governmental organizations, and others);
- training that promotes multidisciplinary and multisectoral research approaches and encourages trainees to consider the economic, social, health, environmental, and ethical implications of their work.
- acceleration of the exchange of research results within the Network and the use of this knowledge within Canada by organizations that can harness it for Canadian economic, health and social development;
- attraction and retention of world-class researchers and highly qualified personnel (HQP) in areas essential to Canadian economic, health and social development;
- creation of functional, multi-regional, and interdisciplinary research teams;
- development of a pool of HQP in areas essential to Canadian economic and social development; and
- increase Canada's international visibility and reputation.

## 1.3 Program Criteria

Proposed Networks are assessed against five (5) criteria: Management of the Network; Excellence of the Research Program; Development of Highly Qualified Personnel (HQP); Networking and Partnerships; and Knowledge and Technology Exchange and Exploitation (Knowledge Mobilization). Refer to [Appendix "NCE Program Criteria"](#) below for a detailed description of each criterion.

## 1.4 Program Competitions

Competitions for NCE funding are launched periodically. Details about the ongoing and past competitions are available on the [NCE website](#).

The NCE Program uses a comprehensive review process, in which applications are peer-reviewed by Canadian and international experts in specific fields and sectors. These Expert Panels are established by the NCE Secretariat and evaluate an application according to program criteria, meet with applicants, and produce in-depth written assessments of strengths

and weaknesses.

Subsequently the [NCE Standing Selection Committee \(SSC\)](#), composed of international-calibre, highly accomplished individuals with broad expertise representing the domains of the three federal granting agencies across all sectors, review the applications and Expert Panel reports. The SSC provides the [NCE Steering Committee](#) with funding recommendations. The NCE Steering Committee makes the final decisions. There is no appeal process.

## 2. Requirements of the NCE Program

### 2.1 Eligibility

#### 2.1.1 Applicant profile

To be eligible for the NCE Program, an application must be submitted by an academic researcher or researchers eligible to receive grants from one of the three federal granting agencies (CIHR, NSERC, or SSHRC). The application must be submitted in partnership with an eligible Network Host and on behalf of other academic, private and public partners (Network members and collaborators). A NCE Network must federally incorporate as a not-for-profit organization and thus must meet requirements of the [Canada Not-for-Profit Corporations Act](#).

#### 2.1.2 Network Host Eligibility

The responsibilities and requirements of administering the NCE grant funds on behalf of the Network fall to the Network Host. Network Hosts are institutions who have signed the [Agreement on the Administration of Agency Grants and Awards by Research Institutions](#), or are private sector consortium (a grouping consisting mainly of for-profit companies to form a not-for-profit entity that has defined goals and objectives as well as governance, financial and accounting structures that are completely distinct from those of its component companies and meet the requirements of the *Agreement on the Administration of Agency Grants and Awards by Research Institutions*) that house the Administrative Centre of the Network and sign the Funding Agreement.

#### 2.1.3 Network Member & Investigator Eligibility

Network Members include Canadian universities or postsecondary institutions with a mandate for research, as well as their affiliated institutions, including hospitals, research institutes and/or other not-for-profit organizations, or other organizations eligible to receive research funds from any of the three federal granting agencies. Network Investigators must be eligible to receive funding from one of the three federal granting agencies and their participation is governed by both the Network and Funding Agreement requirements. Network Members sign a Network Agreement and receive transfers from the Network Host on behalf of researchers at their institutions.

### 2.2 Agreements

#### 2.2.1 Funding Agreement

Prior to receiving payments of grant funds under the NCE Program, all Networks must sign a standardized [Funding Agreement](#) that sets out the terms and conditions of the grant. The funding agreement is signed between the Network (a federally incorporated not-for-profit entity),

the Network Host (by a representative at the VP or President level) and the Presidents of the granting agencies participating in the multi-disciplinary NCE Program (CIHR, SSHRC, and NSERC).

### 2.2.2 Network Agreement

Networks must sign a Network Agreement with any eligible organization (Network Member) receiving grant funds. Research activities and the transfer of funds between the Network Host and Network Member occur once a Network Agreement has been signed. The Network Agreement sets out the expectations of all parties in the Network and provides for such matters as reporting requirements, use of research funds, and ownership and exploitation of intellectual property. It must be signed by each Network investigator and Network member following the approval of new signatories by the Governing Board and in accordance with the program requirements maintained by the NCE Secretariat. A copy of the executed Network Agreement must be provided to the NCE Secretariat and updated when new signatories are added. To facilitate negotiation of the Network Agreement, the NCE Secretariat may provide a template upon request.

### 2.2.3 Host Agreement

In addition to the Funding Agreement and Network Agreement, a separate Host Agreement is required to outline obligations between the parties. The needs and expectations of the Network are extensive. Guidance on suggested details can be found in the [Best Practices for Governance and Operations Manual](#). The granting agencies do not sign the Host Agreement, but a copy must be provided to the NCE Secretariat.

### 2.2.4 Consent to Disclosure

All recipients of NCE funds must sign a Consent to Disclosure form prior to receiving funds (available as an Annex of the [Funding Agreement](#)). This form permits the identification of any individuals who are in serious breach of [granting agency policies](#) and is required of any academic researchers receiving tri-council funds. The forms must be stored and maintained by the Network and presented to the NCE Secretariat or the granting agencies upon request.

## **2.3 Governance and Management**

Each NCE-Network must have an organizational structure appropriate for the management of the Network activities and business functions of a complex multidisciplinary, multi-institutional program. A Governing Board must be established and represent the interests and concerns of the public, private and academic stakeholders involved in the Network. Working closely with the Governing Board, the administrative centre is the enabler of Network activities. The NCE Secretariat has developed a [Best Practices for Governance and Operations Manual](#) to assist Networks in establishing governance and management structures.

### 2.3.1 Governing Board

In accordance with the creation of a federal not-for-profit entity, each NCE-Network must appoint a Governing Board that has the overall responsibility for the governance and management of the Network. The Governing Board must respect the NCE program guidelines and the Funding Agreement to maintain the grant. The Governing Board determines the required number and types of committees required. The Governing Board also evaluates the performance of the Network administration through evaluation of the administrative leadership.

The Governing Board must consist of sufficient members to ensure it has the right diversity of expertise and skillsets necessary to govern the Network effectively. Typically, NCE Governing Boards consist of approximately 12-15 members. A minimum of one-third of members must be independent. Independence of Board Members is at the discretion of the Board and are typically any individuals who will not benefit directly from the activities of the Network and have no material relationship with the Network that could, either directly or indirectly, in practice or appearance, impair their ability to think and act in an independent manner that is in the best interest of the Network. The membership of the Board should be diverse (refer to [section 4.2.7 Equity, Diversity and Inclusion](#)) and must reflect the interests and concerns of the various stakeholders involved in the Network. The Network must advise the NCE Secretariat of any changes in membership of the Board during the course of funding.

### 2.3.2 Network Management and Operations

Networks require management expertise in order to deliver on objectives. The typical key positions within the management and operations of a Network include the Scientific Director, Executive Director, Financial Officer and Communications Manager. Networks must also ensure they have robust financial management systems in place to ensure effective financial monitoring. It is also important that Network activities, results and accomplishments be conveyed to external audiences, including potential participants from all sectors, public policy makers, the media and the public.

Guidance on the role and responsibilities available of key positions can be found in the [Best Practices for Governance and Operations Resource Manual](#).

## **3. Use of NCE Funds**

### **3.1 Eligible expenses**

The NCE program uses the [Tri-Agency Financial Administration Guide](#) as the general guidelines for eligibility of expenses. In situations where the granting agencies have different rules and policies that are not explicit in the Tri-Agency Financial Administration Guide, the rules and policies of the granting agency identified in the funding agreement in whose domain the majority of the Network's research falls are applicable. Note that the granting agencies may release other financial administration guides specific for a program. Unless otherwise indicated, these are not applicable to the NCE Program and should not be applied without approval of the NCE Secretariat.

Networks should be aware that the grants provided through the NCE Program have specific eligible expense requirements that should be consulted in addition to the guidelines provided through the Tri-Agency Financial Administration Guide. See ([Appendix A](#)) for the list of eligible expenses incorporating the additions and exceptions to the Tri-Agency Financial Administration Guide and specific granting agency rules. (For specific cases please contact the NCE Secretariat).

### **3.2 Administrative expenses**

The NCE Program permits the use of grant dollars to cover the cost of administering the Network capped to a maximum of 15% of the total NCE grant amount. Any additional support must be sourced from non-NCE funds. Expenditures of the Administrative Centre included in the calculation of the Research Support Fund and the Chairs programs are not included in the

calculation of the 15% cap. For a detailed table of NCE expenditures covered by the Research Support Fund and Chairs programs see [Appendix B](#).

### 3.2.1 Maximum remuneration

Contributions from the NCE funds towards the total annual remuneration (fixed or variable) of each Network staff member must not exceed \$120,000 full-time equivalent (excluding benefits). This maximum applies to all positions (including employment contracts) and shall be pro-rated on the basis of the proportion of time worked relative to the full-time equivalent. Any remaining salary must come from non-NCE funds.

### 3.2.2 Remuneration for the Scientific Director

The Scientific Director of an NCE Network maintains their previous position while taking on significant responsibilities associated with the Network. As a result of these additional responsibilities and the necessary time dedication, the Scientific Director may need to alleviate some of their non-Network related responsibilities with their institution. To facilitate this, the NCE program allows remuneration for the Scientific Director salary up to \$150,000/yr paid by the Network. This contribution offsets the salary paid to the Scientific Director (by the University) to allow the University to dedicate other human resources to cover the institutional responsibilities of the Scientific Director. The \$150,000 maximum includes up to \$25,000 for partial teaching or clinical release (See [Appendix A](#) for details).

### 3.2.3 Funding of the Scientific Director's research

As an active researcher in the areas that overlap with the mandate of the Network, a Scientific Director's participation in the Network's calls for proposals may be perceived as a conflict of interest. Where this occurs, Networks must ensure that a rigorous conflict of interest policy is adopted and applied at all meetings of the Board and its committees where there exists the possibility of conflicted interests. A different approach to mitigating this potential conflict of interest can be through an annual decision of the Governing Board to allocate a portion of the grant funds, as a directed award, to the Scientific Director to effect a "non-compete" situation in the Network. This may remove the Scientific Director from any perception of conflicted interests and maintain an open and strong relationship with the researcher community. To be eligible, this directed allocation must be for research, fall within the focus areas of the Network and be evaluated through the same rigor as all other Network projects.

### 3.2.4 Contracts

In areas where the expertise does not exist across the Network Members, Networks may utilize research contracts to enable the research program to deliver in areas that are essential but not addressed under the Network's mandate or to access highly specialized or unique facilities. These research contracts should only be used when necessary and must follow specific guidelines including but not limited to: the research contract must be between the Network and the organization conducting the research; the contract is for the provision of research services to the Network; the Network owns all results from the research conducted and may use those results without any limitations by the contract provider; the provider will not publish or disclose any information related to the contract. Prior to engaging in research contracts, the Network must seek approval by the NCE Secretariat.

Networks may use contracts in order to access specialized facilities and services provided by government laboratories. MOUs that set up the terms for [Specified Purpose Accounts](#) may be

used to support joint projects. Money deposited into these Specified Purpose Accounts by Networks can come only from non-federal funds raised by the Networks and not from the federal funds provided by the NCE program.

Employment contracts as opposed to professional services contracts are salaried contributions and are for technical or professional services only where this expertise is not available within the Network. These contracts are subject to the maximum remuneration limits and are categorized as administrative expenditures.

### **3.3 Payment of NCE Funds to the Network**

#### **3.3.1 Grant Payments**

NCE grants are paid through the Network host. As agreed to in the Funding Agreement, grant holders use their grants for the purpose for which the funds were awarded, and in accordance with the policies and guidelines of the program and their institution. The NCE Secretariat reserves the right to terminate, suspend or reclaim a grant if the recipient contravenes the Funding Agreement.

#### **3.3.2 Basis and Timing of Payments**

Payment of grants is authorized by the NCE Steering Committee through one or more of the granting agencies and paid using the payment schedules of the relevant granting agencies providing NCE funds to the Network. Instalments are subject to the availability of funds, satisfactory progress, and the Network's continuing compliance with the program's policies, terms, and conditions. Networks hosted at universities have their funds released to the designated financial administrative unit of the host university. Through the direction of the Governing Board, the Network advises the Network Host of the amounts to be disbursed to participating institutions and to the Network Administrative Centre.

#### **3.3.3 Carry Forward Amounts**

The Governing Board of a Network must be vigilant of the amount of NCE grant funds that are carried forward year over year. The NCE Secretariat issues payments to Networks based on their identified need in the NCE application or through written requests by the Governing Board. If a Network consistently is unable to expend the grant provided by the Granting Agencies, the amounts carried forward may have a negative effect on future payments of the current grant and the demonstration of need for future grants within the NCE program.

#### **3.3.4 Transfers between Network Members**

Upon signing the Network agreement, and through direction by the Network, the Network Host may transfer funds to a Network Member. Transfers may only occur between the Network Host and Network Members. Transfers of funds between Network Members (e.g. from Network Member "A" to Network Member "B") are considered second order transfers and not permitted under the NCE Program. In all situations where the Network deems it necessary that funds be re-distributed between Network Members, the funds must first be returned to the Network Host who will then transfer the funds.

#### **3.3.5 Cash and In-Kind support from partners**

The NCE program recognizes both cash and in-kind support to the Network. Cash contributions provide the Network with the flexibility to increase their research allocations, and generally

expand the scope of the Network. These contributions should be directed to the Network and managed by the Administrative Centre under the direction of the Governing Board in accordance with any agreements signed by the Network.

In-kind contributions also provide invaluable support to Networks. Specialized access to data or resources, hospitality costs, access to IP, salaries, software and travel costs are all examples of in-kind support recognized by the NCE program. See more on calculation of NCE in-kind support in [Appendix C](#).

Both cash and in-kind contributions to the Network are expected to evolve over the lifetime of the grant and increase with the progress of the research, networking, partnership, collaboration and knowledge translation activities.

### 3.3.6 Stacking provisions

The maximum level (stacking limit) of total government assistance (federal, provincial and municipal assistance for the same eligible expenditures) for this program will not exceed 100 per cent of eligible expenditures. For clarity, once expenditure has been covered by NCE funds up to 100% of the value, other government sources cannot be used to cover the same expense. In the event total government assistance to a recipient exceeds the stacking limit, the Granting Agencies will adjust the level of assistance provided through the NCE grant so that the stacking limit is not exceeded.

When the Network or the Network Investigators are successful in attracting other funding, from either governmental or non-governmental sources, the additional funds do not displace the grant provided by the NCE Program but rather should be used to extend or accelerate the achievement of their overall objectives through an expansion of their research programs, increasing their HQP development activities, enhancing knowledge mobilization activities and/or technology exchange and exploitation or other activities to support the mobilization of research excellence for the benefit of Canada and the Canadian population.

When reporting annually to the NCE Secretariat it is important to disclose and provide adequate information related to the other sources of support from all other government sources.

## **4. Policies and guidelines**

The Governing Board is responsible for ensuring that the Network is managed according to the rules and regulations of governing a not-for-profit organization. Additional activities specific to an incorporated entity, such as the performance of audits and annual reports to the Canada Revenue Agency, are not under the purview of the NCE program and will be the responsibility of the Network.

### **4.1 Tri-Agency Framework: Responsible Conduct of Research**

The Governing Board is responsible for adherence to the [Tri-Agency Framework: Responsible Code of Research](#). The Governing Board must ensure that the Network obtains appropriate certification for activities that involve agency requirements and legislation for the conduct of certain types of research and development.

## 4.2 Additional policies and guidelines

As an NCE Network, the following policies and guidelines must also be adhered to: (further details are provided below)

- Conflict of Interest;
- Current or former public office holders or public servants;
- Environmental Assessment;
- Intellectual Property and Benefits to Canada;
- Open access to research outputs;
- Official languages; and
- Equity, Diversity and Inclusion

### 4.2.1 Conflict of interest

The Network shall adopt a code of conduct in its by-laws for directors, officers, employees and committee members designed to prevent real or perceived conflicts of interest. The code shall be no less stringent than the NCE Conflict of Interest Policy Framework ([Appendix D](#)).

### 4.2.2 Current or former public office holders or public servants

Networks that employ or retain the services of individuals who are current or former (in the last 12 months) public office holders or public servants are asked to abide by the [Policy on Conflict of Interest and Post-Employment](#) and disclosure of the involvement of former public servants who are subject to the [Value and Ethics Code for the Public Service](#).

### 4.2.3 Environmental assessment

The Governing Board of each Network receiving NCE funds must establish a process for environmental assessment which is comparable to the [process established by NSERC](#) in fulfillment of its obligations pursuant to the [Canadian Environmental Assessment Act, 2012](#). Networks should refer to [Appendix E](#) of this Guide for expectations of environmental review process. All research and activities approved for funding by the Governing Board and that will receive NCE funds shall be reviewed for potential adverse environmental effects.

### 4.2.4 Intellectual Property and Benefits to Canada

The NCE Secretariat and the granting agencies make no claim to ownership of intellectual property from the research they fund. Ownership of Network-Supported Intellectual Property shall be determined by applicable Canadian law and the policies of the relevant participating institution(s). The ownership and disposition of intellectual property arising from Network-funded research must be governed by the arrangements described in the Network Agreement. Agreements made regarding the ownership of the intellectual property resulting from Network-funded research must take into account the NCE objective of creating partnerships. The Network must establish a policy that encourages and facilitates commercialization for the greatest benefit to Canada (See [Appendix F](#) for further guidance on Management of Intellectual Property for Greatest Benefit to Canada in this context and the [Best Practices Manual for Governance and Operations](#) for additional guidance on Intellectual Property arrangements).

### 4.2.5 Open Access to Research Outputs

As publicly funded organizations, the granting agencies have a fundamental interest in promoting the availability of findings that result from the research they fund, including research

publications, to the widest possible audience, and at the earliest possible opportunity. Societal advancement is made possible through widespread and barrier-free access to cutting-edge research and knowledge, enabling researchers, scholars, clinicians, policy-makers, private sector and not-for-profit organizations and the public to use and build on this knowledge.

Refer to the [Tri-Agency Open Access Policy on Publications](#) for further information..

#### 4.2.6 Official Languages

In compliance with Part VII of the [Official Languages Act](#), the Granting Agencies have established that positive measures to promote the use of both English and French in Canadian society should be taken. Networks funded in 2018 and beyond are required to: (i) acknowledge the Granting Agencies' financial support in both English and French whenever possible; (ii) publish their website (e.g., home page and other primary navigation pages) in both official languages, and include links to both the English and French "[NCE program](#)" / "[RCE programme](#)" webpage and to the "name of the Network" webpage maintained by the NCE Secretariat; and (iii) advertise its competitions, events, and activities in both official languages. The cost of translating the website is an eligible expense.

#### 4.2.7 Equity, Diversity and Inclusion

The participation of all qualified individuals, inclusive of members of under-represented groups, is essential to mobilize Canada's best research, development and entrepreneurial expertise to create excellent, innovative and impactful results. Networks must support the inclusion and advancement of women and other under-represented groups as one means to foster excellence. Networks must consider equity, diversity and inclusion in the selection of the management team and members of the governing board and committees. Where applicable, networks are encouraged to pay particular attention to involvement of Indigenous peoples in Network activities. The Government of Canada is committed to a renewed relationship with Indigenous peoples, based on recognition of rights, respect, cooperation and partnership, including in the way that research is funded and conducted. Consult the [Best Practices for Governance and Operations Resource Manual](#) for tools to help meet equity, diversity and inclusion goals.

## **5. Monitoring and Guidance**

### **5.1 NCE Secretariat Liaison**

The NCE Secretariat will identify a NCE liaison to work closely with each Network over the grant period. This partnership will enable the Network to better achieve alignment with the NCE Program. The NCE liaison may be asked to participate in the resolution of technical, financial or administrative difficulties; assist the Network in the preparation of submissions to the NCE Program; advise on the interpretation of the NCE Program objectives, rules and guidelines; and support co-ordination of the Network's activities with those of other Networks or of other government-sponsored initiatives.

The NCE liaison is the primary NCE Secretariat contact for the Network and will have observer status in the Governing Board and its committee meetings. If the NCE liaison is not able to attend a meeting, the NCE Secretariat may temporarily appoint an alternate representative. Invitations to the governance and administrative meetings of the Network should include the NCE liaison, and meeting materials should be shared well in advance of the meeting.

## 5.2 NCE Monitoring Committee

The [NCE Monitoring Committee](#) is a sub-committee of the NCE Standing Selection Committee with the mandate of evaluating the annual progress of NCE Networks and making recommendations to the NCE Steering Committee regarding the continuation of funding the Networks under review. The NCE Monitoring Committee can make one of the following recommendations: that the Network continues its activities; be phased-out of its activities; or undergoes an in-depth review by an Expert Panel.

## 5.3 NCE Standing Selection Committee

The [NCE Standing Selection Committee](#) provides recommendations for funding to the NCE Steering Committee and policy guidance on the direction of the NCE Program. The Standing Selection Committee membership is reflective of the broad focus areas of the NCE Program and meets regularly to adjudicate competitions and discuss policies. The NCE Standing Selection Committee is familiar with the applications submitted to the NCE Program and thus selects representatives from its membership to also participate on the NCE Monitoring Committee.

## 5.4 NCE Steering Committee

Final decisions on funding of Networks are made by the [NCE Steering Committee](#) composed of the three Presidents of the granting agencies and Deputy Ministers of Health Canada and Innovation, Science and Economic Development Canada. Any major change to the Network that would affect the general mission, research program or other operations of the Network must be submitted to the NCE Steering Committee for approval prior to implementation. The NCE Steering Committee also has an adjudicative role in certain Conflict of Interest complaint situations (see [Appendix D](#)).

## 5.5 Annual Reporting

The NCE Secretariat collects annual reports to monitor the progress of recipients in the program while collecting statistics for the purposes of reporting within the federal government. Progress is assessed against the NCE program criteria ([Appendix G](#)), the competition framework, the Network's strategic plans reported by the Network in the annual report, Expert Panel and NCE Standing Selection Committee reports as well as previous Network Annual Progress Reports and NCE Monitoring Committee evaluations. After the review, feedback and guidance are provided by the NCE Monitoring Committee to each Network through a report card. The method of collection is continually refined through consultation with Networks, external committees including the NCE Monitoring Committee, and internal evaluators.

Every year the NCE Secretariat sends a communication to all Networks with the required reporting information for the past year. Any major changes from reporting requirements of previous years are documented separately and shared with Networks. Completed annual reports must be approved by the Governing Board and submitted to the NCE Secretariat by the last business day in May.

Upon receipt of the annual reports, data from the reports are transferred into the NCE Database and shared with the [NCE Monitoring Committee](#). The NCE Monitoring Committee then meets to discuss each report separately and may interact directly with Networks should additional clarification be needed. Over the course of the funding cycle a Network may be invited by the NCE Secretariat to present at the NCE Monitoring Committee meeting. The NCE Monitoring Committee develops a Report Card for the Network which provides high-level feedback on the

annual report and the progress of the Network to date (contact your NCE liaison for a sample report card).

## **5.6 Approaching the end of an NCE Grant**

Networks approaching the end of its NCE funding must implement a plan to ensure the smooth transition or winding down of activities. The NCE Secretariat provides Final Reporting Guidelines and documentation to help Networks complete the final obligations under the grant. Networks must not make any new commitments beyond the final fiscal year. This includes launching requests for proposals, or funding activities into future years not covered by the NCE Funding Agreement. Any such activities must be approved by the NCE Secretariat prior to approval by the Governing Board.

Networks approaching the end of their grant may request a one-year extension to complete activities if required. The NCE Secretariat must receive the request with sufficient notice in order to evaluate the request, and to execute an amendment to the term of the Funding Agreement if approved.

The NCE Program does not require that recipients achieve sustainability of their mandate at the conclusion of the NCE Grant, yet Networks are encouraged to define and achieve the legacy that will continue beyond the existence of the Network. The Governing Board is responsible for the development and execution of all legacy planning. Legacy is important to all stages during the lifetime of the Network and should not be left to the final months of a Network but monitored and adapted throughout the life of the Network.

### *Access to Information Act and the Privacy Act*

The NCE program is subject to the federal Access to Information Act and the Privacy Act. (See [Appendix H](#) for more details.)

### **Contact Us**

If you have any question or require additional information, you can reach us at:

Networks of Centres of Excellence  
350 Albert Street, 16th floor mailroom  
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K1A 1H5

Phone: 613-995-6010

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## Appendix A: NCE Eligible Expenditures

The NCE program uses the [Tri-Agency Financial Administration Guide](#) as the general guidelines for eligibility of expenses.

The table below contains a non-comprehensive list of eligible and ineligible expenses for the NCE Program.

<b>General Eligible Expenditures</b>	
<b>Administrative costs</b>	
<b>Eligible Expenses</b>	<b>Ineligible Expenses</b>
<b>1. Operating Costs for the Network's Administrative Centre</b>	
<p>Salaries and Benefits for Network staff members (e.g. Network directors, Executive Director, business development/industrial liaison officer, communications officer, secretarial support staff).</p> <p>a) Contributions from the NCE funds towards the total annual remuneration (fixed or variable) of each Network staff member must not exceed \$120,000 full-time equivalent (excluding benefits). This maximum applies to all positions (including employment contracts) and shall be pro-rated on the basis of the proportion of time worked relative to the full-time equivalent. Any remaining salary must come from non-NCE funds.</p> <p>b) Non-discretionary benefits include workplace safety insurance coverage costs for Network staff, pension benefits, medical, vision and dental care benefits and parental leave; the costs of the benefits package should be in the average market range.</p> <p>Other administrative expenses:</p> <p>Office supplies and equipment (e.g. stationery for the administrative center, fax, computers, printers).</p>	<p>Honoraria for external reviewers.</p> <p>Remuneration for Governing Board members.</p> <p>Discretionary severance and separation packages.</p> <p>Routine courses (Excel, time management, language training, etc.).</p> <p>Support services provided by the host institution, such as:</p> <p>a) construction and maintenance of buildings;</p> <p>b) administrative support;</p> <p>c) personnel support;</p> <p>d) financial services;</p> <p>e) telephone lines and equipment;</p> <p>f) library and building services;</p> <p>g) insurance other than liability insurance;</p> <p>h) furniture;</p> <p>i) office space; and</p> <p>j) web connection at administrative centre.</p>

<p>Communication devices for network activities.</p> <p>Long distance charges.</p> <p>Internet access fees while traveling for network activities.</p> <p>Costs to obtain liability insurance for members of the Governing Board, and Network administrators.</p> <p>Travel and accommodation for Network personnel, and members of the Governing Board and committees.</p> <p>Legal fees, audit costs, and other related incorporation costs for the Network.</p> <p>Consulting and/or technical service contracts.</p>	
<p><b>2. Costs Related to Networking</b></p>	
<p>Network meeting hospitality costs (non-alcoholic refreshments and/or meals) for Networking purposes (e.g. Governing Board meetings and strategic planning meetings with stakeholders).</p> <p>Annual conferences, seminars, and workshop hospitality costs (non-alcoholic refreshments and/or meals).</p> <p>Student Support for travel.</p>	<p>Hospitality costs for meetings attended only by Network staff are not eligible.</p>
<p><b>3. Costs Related to Communication Activities</b></p>	
<p>Newsletters/brochures, annual reports, printing and mailing costs, public relations associated expenses (e.g. display booths, press conferences).</p> <p>Promotional material for conferences.</p>	<p>Gifts</p>

<p>Financial contributions to special events in Canada, subject to consultation with the NCE Secretariat.</p> <p>Financial contributions to international events limited to communications activities and/or costs related to Networking (e.g. travel, registration fees, exhibit space rental).</p> <p>Costs associated with the development and maintenance of Network websites including translation.</p> <p>Other communications activities as long as the activity is approved by the Network's Governing Board and is part of the Network communication strategy.</p>	
<p><b>4. Costs Related to Knowledge Mobilization and/or Technology Exchange and Exploitation</b></p>	
<p>Prototype development, subject to approval by the Governing Board provided that due diligence has been used to find a partner to share the costs for development, normally on a matching basis.</p> <p>Market studies to determine the market potential for an NCE-generated development or to determine the appropriate market(s) for a development, subject to the approval by the Governing Board.</p> <p>Intellectual property: on an annual basis, up to 50 per cent of the total costs of protection for intellectual property resulting from Network research.</p> <p>Policy development and/or knowledge mobilization.</p> <p>Tools, written materials development.</p> <p>Workshops related to knowledge mobilization and/or technology exchange and exploitation.</p>	

<b>Specific Eligible Expenditures</b>	
<b>Eligible Expenses</b>	<b>Ineligible Expenses</b>
<b>1. Direct Costs of Research and Facility Access</b>	
<p>Direct costs of research and facility access, equipment including powered vehicles, materials and supplies related to the direct costs of research, as normally allowed by the granting agencies and detailed in the <a href="#">Tri-Agency Financial Administration Guide</a> and subject to the approval by the Governing Board of the Network.</p> <p>Salaries, stipends and institutional non-discretionary benefits for Network-related research performed in Canada by Canadian and foreign students and postdoctoral fellows;</p>	<p>Cost of research done by a university researcher under a spin-off or “virtual” company.</p>
<b>2. Administrative Operating Costs</b>	
<p>Travel and accommodation for researchers.</p> <p>Scientific director salary and benefits ("A") and partial teaching/clinical release ("B"); subject to approval by the Governing Board and the employer of the NCE scientific director:</p> <p>a) Contributions from all federal sources towards "A" must not exceed \$150K (including benefits);</p> <p>b) Contribution to "B" may be up to \$25K per year from NCE funds; and</p> <p>c) Total support ("A" + "B") must not exceed \$150K per year.</p> <p>d) The salary support provided to the NCE scientific directors must enable them to dedicate corresponding time to Network-related activities. NCE scientific directors who receive NCE salary support may hold grants from the federal granting agencies provided they meet the eligibility requirements of the respective agencies.</p>	<p>Part-time salary support for university-based researchers.</p> <p>Release time for teaching (except for partial release for the Scientific Director</p> <p>Honoraria for International Scientific Review Board members.</p>

<b>3. Other Costs Related to Student and Postdoctoral Fellows</b>	
Parental Leave Supplements (up to 6 months at the current level of support).	

## APPENDIX B: ELIGIBLE RESEARCH SUPPORT FUNDS AND CHAIRS COSTS FOR NCE ADMINISTRATIVE CENTRE

Eligible Expenses for

[Research Support Fund calculation](#)

[Chairs and Research Support Fund calculations](#)

Not Applicable

Category	Item	Administration Centre - Admin	Administration Centre - Special Programs	Administration Centre - Core Facilities
<b>1) Operational Budget / Budget opérationnel</b>	Administrative salaries, benefits, and management fees			
	Salary and benefit of incumbent(SD only)			
	Research time stipend (Scientific Director only)			
	Consulting and/or technical services			
	Legal fees			
	Equipment (computers, etc.)			
	Office Supplies/Services			
	Insurance			
	Staff travel			
	BOD, RMC and other committees' travels and accomodation			
	Audit			
	Other (explain)			
<b>2) Research Networking</b>	Seminars and workshops			
	Networking Meetings			
	Annual Conference (NCE Funds only)			
	Student support			
	Other (explain)			
<b>3) Communications</b>	Communication activities (including annual report and newsletter)			
	Web site			
	Telephone, FAX			

<b>4) Technology Transfer</b>	Prototype device			
	Market study			
	Patenting Costs			
	Policy Development/Knowledge Mobilization			
	Tools, Written Materials Development			
	Workshops			
	Other (explain)			
<b>5) Student and Postdoc Salaries</b>	Bachelors - Canadian and Permanent Residents			
	Bachelors - Foreign			
	Masters - Canadian and Permanent Residents			
	Masters - Foreign			
	Doctorate - Canadian and Permanent Residents			
	Doctorate - Foreign			
	Post-doctoral Canadian and Permanent residents			
	Postdoctoral Foreign			
	Other (explain)			

Note

- The administrative expenses of the NCE-Network are the sum of the expenses that are not eligible to the Indirect Cost and Canada Research Chairs programs.
- Guidance on the differences between Administration Centre – Admin, Administration Centre – Special Programs, and Administration Centre – Core Facilities are found in the annual reporting instructions provided to Networks.

## Appendix C: Calculation of In-Kind Contributions

For all Networks of Centres of Excellence Programs, in-kind (cash equivalent) contributions are defined as cash-equivalent goods or services that represent an incremental expense that the partner would not otherwise incur and which would have to be paid for with Network funds if not provided by a partner. In-kind contributions should be relevant and central to the activities or mandate of the Network, must be eligible expenses as per the program guidelines and cannot have been used to fulfill the leveraging requirements of other federal programs.

Academic institutions including the Network Host and Network Member institutions are not considered partners in the same sense as industry or not-for-profit partners. Academic institutions are typically signed on as Network members (i.e. they sign the Network or Host Agreement). That said, some academic contributions do still count as in-kind contributions. Two tables are provided below; one for traditional partners and one for academic institutions.

### Reporting Guidelines

- The nature of an in-kind contribution and its valuation must be detailed. It is the responsibility of the Governing Board to ensure that a proper accounting framework is created to ensure that the reported value for all items is reasonable. The NCE Secretariat may request justification in the case of questionable valuations.
- If there is doubt about the acceptability of an in-kind contribution, the Network must seek clarification from the NCE Secretariat. Each case is considered on its merits, and the Secretariat exercises discretion in making the final decision.

### Calculation Table – Partners (non-academic institutions)

The table below is a non-exhaustive list of in-kind contributions, with an indication of how to calculate their value. If in doubt about a particular item, contact the NCE Secretariat.

<b>Category</b>	<b>Acceptable</b>	<b>Not acceptable</b>
Access to unique databases	<ul style="list-style-type: none"> <li>• Incremental cost of access</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of developing or maintaining database</li> </ul>
Analytical and other services	<ul style="list-style-type: none"> <li>• Internal cost of services</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial cost of access</li> </ul>
Equipment	<p><b>Donated (used)</b></p> <ul style="list-style-type: none"> <li>• Fair market value</li> <li>• Company book value</li> </ul> <p><b>Donated (new)</b></p> <ul style="list-style-type: none"> <li>• Selling price to most favored customer (if stock item)</li> <li>• Cost of manufacture (if one of a kind)</li> </ul> <p><b>Loaned</b></p> <ul style="list-style-type: none"> <li>• Rental equivalent based on depreciation</li> <li>• Rental equivalent to highest-volume rate</li> </ul>	<ul style="list-style-type: none"> <li>• List price or discounted list price</li> <li>• Rental equivalents exceeding accepted values had the equipment been donated or sold</li> <li>• Development costs</li> </ul>
Hospitality	<ul style="list-style-type: none"> <li>• Cost</li> </ul>	<ul style="list-style-type: none"> <li>• Alcoholic refreshments</li> </ul>

Materials	<ul style="list-style-type: none"> <li>• Unit cost of production for commercial products</li> <li>• Selling price to most favoured customer</li> <li>• Price for internal transfers</li> <li>• Cost of production of prototypes and samples (excluding product under study in a clinical trial if it is the partner's product)</li> </ul>	<ul style="list-style-type: none"> <li>• Development costs</li> <li>• In the case of randomized controlled trials, the cost of the medication under study, if it is the partner's product</li> </ul>
Intellectual property	<ul style="list-style-type: none"> <li>• Fair market value of licencing and royalties</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of maintenance and litigation</li> <li>• Licencing fees paid to partners</li> </ul>
Professional and technical service contracts	<ul style="list-style-type: none"> <li>• Cost</li> </ul>	
Salaries	<ul style="list-style-type: none"> <li>• Actual salary cost (including benefits), including non-discretionary benefits, up to a maximum of \$100 / hour.</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration for work on governing committees</li> <li>• Salary overheads, external charge-out or consultant rates</li> </ul>
Software	<ul style="list-style-type: none"> <li>• Most-favoured-customer cost for one licence per software package</li> <li>• Cost of equivalent commercial product (where donated software is not commercially available)</li> <li>• Cost of training and support (at the university/college site) for software by industrial partner personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Development costs</li> </ul>
Travel costs	<ul style="list-style-type: none"> <li>• Travel costs to meet with Networks and centres</li> <li>• Reasonable accommodation costs</li> </ul>	
Use of facilities	<ul style="list-style-type: none"> <li>• Cost of access to the facility</li> <li>• Internal rates for use of specialized equipment</li> <li>• Internal rates for value of lost production, resulting from downtime</li> </ul>	<ul style="list-style-type: none"> <li>• Rental costs for office space</li> </ul>

Calculation Table – Academic Institutions

Category	Acceptable	Not acceptable
Academic researcher salaries	<ul style="list-style-type: none"> <li>• Actual costs to the institution for release time from teaching duties for the Scientific Director (e.g., the cost of hiring a sessional instructor for course release may be counted).</li> </ul>	<ul style="list-style-type: none"> <li>• Academic faculty salaries</li> </ul>

Clinicians	<ul style="list-style-type: none"> <li>• Portion of their salary for time devoted to working on Network projects that are additional to their routine (including teaching or service work) activities</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration already received for teaching or service work</li> </ul>
Student stipends	<ul style="list-style-type: none"> <li>• Cost of the stipend equivalent to the portion of their time working on Network projects</li> </ul>	<ul style="list-style-type: none"> <li>• the portion of time dedicated to non-Network research</li> </ul>
Equipment already owned by the university	<ul style="list-style-type: none"> <li>• User fees for use of equipment for Network research.</li> <li>• Donation of equipment to Network (fair market value for used equipment) such that the Network has exclusive use during the lifetime of the Network.</li> </ul>	<ul style="list-style-type: none"> <li>• Value of equipment previously purchased, and continuing to be owned by the university</li> </ul>
From Network Host to Administrative Centre	<ul style="list-style-type: none"> <li>• Services (e.g. financial, computer, accommodations/office space) and staff (e.g. finance manager).</li> </ul>	

## Appendix D: Conflict of Interest Policy Framework

Interactions between university researchers and the private sector are an essential feature of the NCE program. For the objectives of the NCE program to be achieved, many kinds of interactions among individuals participating in the Network must occur. These interactions may lead to gains and benefits to the individuals participating in the Network and are desirable and natural outcomes of being involved in the Network. Such interactions, however, may place individuals participating in the Network in a position of potential, apparent or actual conflict of interest.

The responsibility for implementing and managing the Conflict of Interest Policy Framework, to ensure that Network operations and decisions are not biased by conflict of interest, is delegated to each Network Governing Board, which represents the highest authority in the management structure of the Network. The Network Governing Board is accountable to the NCE Steering Committee for the effective implementation and management of the Conflict of Interest Policy Framework.

Individuals participating in the Network, such as members of the Governing Board and advisory committees who do not receive NCE funds, are recognized as playing a unique role in the Networks. They bring an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of the Network. Nevertheless, they are still required to disclose any financial interest or position of influence, as described in Section 2.0, in any business in the same area of interest as the Network, other than that of their main employer.

The Conflict of Interest Policy is intended to enable Network Governing Board and individuals to recognize and disclose situations that may be open to question and to ensure that such situations are appropriately resolved. The policy builds upon and is complementary to those of the organizations that make up the Network Governing Board, Network Investigators and the administrators.

### 1.0 Definitions

**“Administrative Centre”** means the central administrative offices of the organization managing the Network.

**"Avoidance"** means refraining from, or withdrawing from, participation in activities or situations that place an individual participating in the Network in a potential, apparent, or actual conflict of interest relative to his or her Network duties and responsibilities.

**“Board”** means the Governing Board of a NCE-Network that is responsible for the overall management of the administrative centre and is accountable to the NCE Steering Committee.

**"Conflict of interest"** means a situation where, to the detriment or potential detriment of the Network, an individual is, or may be, in a position to use research knowledge, authority, or influence for personal or family gain (financial or other) or to benefit others.

**"Disclosure"** means the act of notifying in writing to the Governing Board, through the Executive Director, of any direct or indirect financial interests and positions of influence held by an individual participating in the Network, which could lead to a potential, apparent, or actual conflict of interest.

**"Divestment"** means the sale at arm's length, or the placement in trust, of assets, where continued ownership by an individual participating in the Network would constitute a potential, apparent or actual conflict of interest with the participant's Network duties and responsibilities.

**"Financial interest"** means an interest in a business in the same area as the Network as described in Section 2.1 of this Appendix.

**"NCE Secretariat"** means the secretariat through which the federal Networks of Centres of Excellence program and three other programs are delivered.

**"NCE Steering Committee"** means the committee comprised of the three granting agencies' Presidents and the Deputy Ministers of Innovation, Science and Economic Development Canada and Health Canada, and the President and CEO of the Canada Foundation for Innovation (as an observer), which has overall responsibility for the NCE program.

**"Network Governing Board"** means the Board that is responsible for the overall management of the Network and is accountable to the NCE Steering Committee.

**"Executive Director"** means the senior managerial employee of the Network who reports to the Governing Board.

**"Position of influence"** includes any position that entails responsibility for a material segment of the operation and/or management of a business.

## 2.0 Disclosure

Upon joining the Network, each individual is obliged to disclose in writing to the Governing Board, through the Executive Director, any direct or indirect financial interests and/or positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided in Section 5.0 of this Appendix). In addition, these submissions must be updated whenever the individual's circumstances change in a way that would necessitate a further disclosure. The individual also has the obligation to disclose any potential, apparent or actual conflict of interest when it arises during Network committee or Board meetings so that the committee or Board is aware of the situation and can take appropriate action.

### 2.1 Financial Interest

Financial Interest consists of:

- any material stock option (e.g. 1%) or similar ownership interest in such a business, but excluding any interest arising solely by reason of investment in such business by a mutual, pension, or other institutional investment fund over which the person does not exercise control; or
- receipt of, or the right and potential to receive, any income from such a business, whether in the form of a fee (e.g. consulting), salary, allowance, interest in real or personal property, dividend, royalty derived from licensing of technology, rent, capital gain, real or personal property, or any other form of compensation or contractual relationship, or any combination thereof.

### 3.0 Management of Conflict of Interest

The Network Governing Board or an appointed conflict of interest sub-committee is charged with the responsibility of managing conflict of interest, and determining and implementing the appropriate course of action. This management system is based on disclosure, as described in Section 2.0 of this Appendix. All disclosures constitute confidential information that will be available to the Network Board, or a sub-committee thereof, for the evaluation and resolution of any conflict of interest or allegations of conflict of interest brought before the Board or its conflict of interest sub-committee.

While it is recognized that it may be difficult to completely avoid situations of potential, apparent, or actual conflict of interest, complete avoidance or divestment may be required in certain cases. Such divestment should not consist of a sale or transfer of assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures as directed by the Board.

#### 3.1 Principles

An individual participating in the Network who is involved with, or has an interest in, or deals in any manner with a third party which might cause a conflict of interest, will not be present or participate in any decisions pertaining to the Network, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the Network. It is the obligation of the individual to declare such potential, apparent, or actual conflict of interest before discussions take place so that the committee or Network Governing Board is aware of the situation in order to ensure that the individual is out of the room when the discussion and decision process on the item in question are taking place. This course of action should be recorded in the minutes of the meeting.

Any question raised by an individual or company regarding the potential conflict of interest of an individual will be raised at the Network Governing Board level and must be documented in writing. The Governing Board will determine the extent to which the question should be pursued and in such cases will consult the individual in question. If necessary, the individual will be asked to respond in writing.

#### 3.2 Non-compliance

If an individual is discovered to be in conflict of interest where disclosure and prior approval have not been sought or granted, the Governing Board will require the individual to:

- account to the Network for any gain or benefit made directly or indirectly, arising from an involvement with, or an interest in, or from dealing in any manner with a third party that gives rise to a conflict of interest; **and**
- withdraw from the involvement; **or**
- withdraw from the Network; **or**
- take appropriate action as determined by the Governing Board.

#### 4.0 Review Process

An individual may request in writing, within 30 days, a review of a decision on conflict of interest. In certain circumstances, the Network Governing Board may arrange for an independent third party appointed by mutual agreement of the Network and the Governing Board, and failing such mutual agreement appointed by the NCE Steering Committee, to act as an intermediary to scrutinize scientific reports and budgetary information of research project(s) in which the individual participating in the Network is involved. The intermediary would provide an opinion on the overall merit of the review, without divulging specifics of a proprietary nature to other members of the Network. The ultimate decision on the resolution of the review rests with the Network Governing Board.

In cases where there is a concern with respect to decisions or actions of the Governing Board itself, this concern should be submitted in writing to the NCE Steering Committee. The NCE Steering Committee may request the Chair of the Governing Board to respond in writing to the Steering Committee. Following submission of the Chair's response, the NCE Steering Committee will decide on follow-up action.

#### 5.0 Examples of Conflict of Interest

The following examples, although not comprehensive, illustrate situations that may lead to an indirect or direct conflict of interest:

- being employed in any capacity by another employer outside the participant's, administrator's, or director's university, institution or company signing the Network Agreement, including self-employment
- holding an office that puts the individual in a position to affect decisions, such as manager with executive powers, within a company, or member of a Governing Board
- participating in a research contract or consultancy relationship with a company or serving on the board of a company
- entering into a research contract with a company in which the participant, or a member of his or her immediate family, has a financial or other interest
- carrying out supplementary professional scientific activities in accordance with the disclosure requirements of the participant's or director's employing organization
- owning equity or other financial participation in a corporation (including stock options and shares) – participants, administrators and directors should abstain from activity in which they would have inside advantage (e.g. purchase of shares) based on the information they are privy to through membership in the Network
- accepting gifts (other than some minor hospitality) or special favours for him or herself or a member of his or her family from private organizations with which the Network does business
- influencing the purchase of equipment or materials for the Network from a company in which the participant, the administrator or the director has a financial or other interest.

## Appendix E: Environmental Review Requirements for NCE Networks

### Requirements:

Where applicable, NCE recipient organizations (e.g. organizations receiving, NCE, BL-NCE and CECR grants), must comply with the [Canadian Environmental Assessment Act](#) (CEAA 2012) by ensuring that activities supported with NCE funds are not likely to cause significant adverse environmental effects in areas within federal jurisdiction, and must develop a review process as follow:

- Governing Board responsible for approving the proposals to be funded must ensure that an environmental review is in place and is being implemented. NCE recipient organizations can establish their own process according to their own situation, e.g., a Board may choose to carry out the environmental review itself or to delegate this task, by appointing a sub-committee or hiring consultants who will submit their recommendations to the Board.
- New activities funded by NCE recipient organizations, or ongoing ones where the methodology has changed significantly during the course of the funding period, are subject to assessment or review under the CEAA 2012 when they fall within the definition of either “designated projects” or “projects” ([sections 67-68, CEAA 2012](#)).
- NCE funds shall only be released to applicants after proposals have undergone an environmental review and if it has been determined that no significant adverse environmental effects are likely. If the environmental review has not taken place at the time of the grant approval by the Board, the grant can be made conditional on a favorable environmental review.
- An environmental report must be submitted annually by the NCE recipient organizations to the NCE Secretariat summarizing the environmental review process adopted by the Board and the results of the reviews done during the year (e.g. including information on new proposals, or on-going research or activities that required a more detailed environmental review, modification or cancellation).

### Example:

- The self-identification process detailed in the [NSERC’s Guidelines on Environmental Review and Assessment](#), and the [NSERC’s Environmental Information Form](#) or the [Form 101, Appendices A and B](#) Environmental Impact checklists can be used as an example of how relevant information can be collected from applicants.

## **Appendix F: Guidelines for Management of Intellectual Property for the Greatest Benefit to Canada**

### Working Guidelines

A key NCE program objective is to advance Canadian economic, health and social development. Accordingly, every effort must be made to have the results of Network-funded research exploited in Canada, for the benefit of Canada and the Canadian population. Benefit to Canada in this context, is defined as incremental Canadian economic activity and improved quality of life in Canada. Maximum benefits would be derived from the creation of high-quality jobs in Canada and this should be an important goal of any commercialization activity.

The owners of intellectual property resulting from research funded by NCE-Networks, or the agent acting on the owners' behalf, will consult with relevant stakeholders (Network administrators, universities, and researchers) on issues of commercialization. When selecting a receptor company for the exclusive licence of the commercial rights of intellectual property resulting from Network-funded research, the agent/owners of intellectual property resulting from Network-funded research will use reasonable and thorough efforts to maximize benefits to Canada in a national and international context. Due diligence in efforts to maximize benefits to Canada depends in part on the nature of the research results that are being exploited, and on the window of opportunity. The agent/owners of intellectual property resulting from NCE-funded research should take into consideration the following non-comprehensive list of possible benefits to Canada factors in exercising that due diligence:

- existing company in Canada with receptor capacity
- expansion of an existing company in Canada
- formation of a new company in Canada
- joint ventures or strategic alliances with a company in Canada
- co-manufacturing involving a company in Canada
- cross-licensing or co-development with a company in Canada
- establishment of a new subsidiary in Canada (R&D, manufacturing, sales, marketing, distribution)
- development and/or production in Canada by a foreign company (world product mandate)

### Mechanism for Reporting Due Diligence

Within 30 days of a decision to pursue exploitation by a foreign company, and in advance of finalizing this decision, the agent/owner is required to report the decision to the NCE-Network Governing Board and through the Network Governing Board, to provide the NCE Steering Committee the rationale and circumstances that led to the decision. The NCE Steering Committee reserves the right to impose sanctions as it deems appropriate, if there is failure to comply with these reporting requirements or negligence in performing the due diligence by the Network.

## Appendix G: NCE Program Criteria

### 1. Management of the Network

Each Network must have an organizational structure appropriate for the management of the research and business functions of a complex multidisciplinary, multi-institutional program.

A strong governance model with a sound management structure is essential to the success of a network.

If an industry-led Not-for-Profit Corporation is proposed as the Host institution for the proposed network, it must be able to demonstrate that it has in place the proper policies, procedures and financial controls to administer funding to academic institutions.

Elements being considered are:

- a board and committee structure to ensure that appropriate policy and financial decisions are made and implemented;
- the presence of effective leadership and expertise in the research and the business management functions;
- a defined strategic and operational plan highlighting the proposed Networks objectives and milestones;
- a defined governance process;
- demonstrated and effective policies and controls to administer funding;
- effective research planning and budgeting mechanisms; and
- effective internal and external communications strategies.

### 2. Excellence of the Research Program

The Network's research program must be driven to address Canadian needs and problems, and is therefore expected to be multidisciplinary and multisectoral.

Elements being considered are:

- the excellence, focus and coherence of the research program;
- the balance between research into new discoveries and the application of research breakthroughs to address practical problems facing Canadians;
- the achievements of the researchers in the continuum of research and their ability to contribute to the realization of the Network's objectives;
- the value added by the Network's multifaceted approach, in terms of having all the critical linkages in place to generate world-class research breakthroughs, to apply that knowledge to practical solutions, and to commercialize innovations that produce social and economic benefits;
- the extent to which the program will contribute to Canada's abilities and reputation for international leadership in areas of high economic and social importance to Canada;
- the extent to which new and emerging social and ethical challenges are an integral part of the research program; and
- the relationship of the proposed research program to similar work conducted in Canada and abroad.

### 3. Development of Highly Qualified Personnel (HQP)

The training and retention of HQP is imperative to maximize the effectiveness of the Networks' contribution to the wealth, wellness and well-being of Canadians. The Training Program proposed by the Network is expected to add value to the formal training initiatives already available through the academic community and should aim at helping HQP find employment in the Canadian economy (i.e., private sector partners, government, etc.). The multidisciplinary and multisectoral nature of a Network should be utilized to provide unique mentorship and training opportunities..

Elements being considered are:

- the ability to attract, develop and retain outstanding researchers in research areas and technologies critical to Canadian productivity, economic growth, public policy and quality of life; and
- training strategies that expose HQP to the full range of economic, social, and ethical implications of the Network's research by involving them in activities from the initial research discovery to its application through to practical social and economic benefits.

### 4. Networking and Partnerships

The Network must demonstrate that it has brought together the key individuals and organizations needed to generate and implement multifaceted solutions to the complex Canadian challenges it has been created to address. It must be built on existing relationships with partners and the receptor community that will accelerate the formation and activities of the proposed network.

Elements being considered are:

- effective research and technology development links between national and international academic institutions, federal and provincial agencies, non-governmental organizations and private sector participants;
- the history of partnerships with complementary organizations and how the proposed network will build on these partnerships and how it will accelerate the development of the proposed network;
- multidisciplinary, multisectoral approaches in the research program;
- demonstration that the right partners/individuals are at the table to address the proposed issue, including international partners when applicable;
- optimization of resources through the sharing of equipment and research facilities, databases and personnel; and
- presence, nature and extent of contributions from the private, public and not-for-profit sectors, and from international partners, as well as the prospect for increasing commitments as the work progresses.

### 5. Knowledge and Technology Exchange and Exploitation

NCE Networks are expected to generate social and economic benefits by ensuring the rapid flow of ideas and innovations from researchers to Canadian receptors. This includes the range

of activities from those encompassed in knowledge mobilization (activities and tools designed to put knowledge into active service, often through the establishment of new or modification of existing policies, processes and standards) to those encompassed in commercialization (transformation of knowledge or technology into marketable goods, processes or services). Applicants are expected to demonstrate that appropriate resources will be allocated to support activities that will maximize those benefits.

Elements that are considered include:

- the social innovations to be implemented as a result of the network and the extent to which these will contribute to more effective public policy in Canada;
- effective collaboration with the private, public and not-for-profit sectors in technology, market development, and public policy development;
- the extent to which the network will help the partners develop strong receptor capacity to exploit current and future research breakthroughs;
- the new products, processes or services to be commercialized by firms operating in Canada as a result of the network's activities and the extent to which these will strengthen the Canadian economic base, enhance productivity, and contribute to long-term economic growth and social benefits;
- effective management and protection of Canadian intellectual property resulting from network-funded research; and
- the extent to which additional/complementary knowledge, and/or technology a foreign counterpart is contributing to Canada by an international partner, when international partnerships are relevant.

## Appendix H: The Access to Information Act and the Privacy Act (ATIP)

The *Access to Information Act* (ATI) gives Canadian citizens and people present in Canada a limited right of access to information in federal government records. The *Privacy Act* gives these same individuals a limited right of access to personal information about themselves held in government records and sets out rules and fair practices for the management of personal information by federal institutions. All information collected and generated in the context of the Networks of Centres of Excellence (NCE) programs that comes under the control of the NCE Secretariat and the granting agencies is subject to these laws.

It is important to remember that the ATIP is intended to complement, not replace, established channels of communication. The NCE Secretariat promotes open, informal communication with the research community and with the public. Contact the NCE Secretariat before using the Acts.

### The Access to Information Act

A requester seeking access to NCE Secretariat records under the Access to Information Act (ATIA) must write to the ATIP Co-ordinator at Natural Sciences and Engineering Research Council (NSERC) providing a precise description of the records sought and enclosing an application fee (if applicable). Submitting a request does not guarantee that a requester will gain complete access to the requested records. The Act sets out specific exceptions and exemptions that apply in responding to such requests. For example, personal information about identifiable individuals or proprietary technical information submitted in confidence by researchers or companies would not be disclosed. Moreover, if a request requires a lengthy search or involves a large number of records, a requester could be asked to pay additional fees to help cover the processing costs.

More information about the Act can be obtained from the NSERC Access to Information and Privacy Co-ordinator (see below), the [ATIP web page](#) or from Info Source, a published register of federal information holdings available in most large libraries or at [www.infosource.gc.ca](http://www.infosource.gc.ca).

### The Privacy Act

The *Privacy Act* gives people in Canada certain rights with respect to personal information about them held by federal institutions. For example, institutions must inform people from (or about) whom they collect personal information, how it will be used, and to whom it will be disclosed. Personal information may be used only for the purposes for which it was originally collected or for uses consistent with that purpose. The Act also contains a procedure for requesting correction of inaccuracies in personal information.

Making a request under the *Privacy Act* is similar to making one under ATI except that there are no fees associated with requests to access personal information. The *Privacy Act* sets out limits to the right of access similar to those contained in the ATIA. For example, unless otherwise set out in advance, a person requesting access to personal information about themselves would not be given access to personal information about another.

### Use and Disclosure of Personal Information Provided to the NCE Secretariat

The decision-making processes related to applications received by the NCE Secretariat are subject to more publicity than traditional grant or scholarship applications made to individuals. Applicants, co-applicants and other participants, including members of the Governing Board, managers and other key players, should be aware that their names and affiliations will be accessible to the public. The NCE Secretariat routinely publishes and disseminates certain details about successful applications. These include: names and affiliations of applicants and co-applicants, the amount of the total award and any conditions attached to that amount, and summaries prepared by the applicant or by the Secretariat for public reference.

More detailed personal information about applicants and prospective administrators collected by the NCE Secretariat programs is used to review applications, to administer and monitor awards, and to promote and support research. Consistent with these purposes, applicants should also expect that personal information collected by the program might be used and disclosed in the following ways:

- i) As part of the review process, applications are disclosed to selection committees composed of experts recruited from the academic, private and public sectors. Applications may also be transmitted to external referees, to members of ad hoc review committees or to site visit committees for review. Individuals recruited by the NCE Secretariat programs to participate in these review activities are instructed to protect and to treat as confidential all information entrusted to them.
- ii) The substance of expert reviews and the comments of selection committees about a applications are accessible to all co-applicants even though reviews may occasionally include comments about a particular co-applicant. Normally, NCE Secretariat staff provides these assessments as feedback to the principal applicant only; it is expected, however, that he/she will share it with co-applicants.
- iii) The NCE maintains a separate database, for the information collected through the annual reporting mechanisms of the different NCE Secretariat programs. Information collected is available to members of the NCE Management and Steering Committees or their delegates who are affiliated with a granting agency or other partners of the NCE Secretariat including Innovation, Science and Economic Development Canada, Health Canada, the Canada Foundation for Innovation, the Canadian Institutes for Health Research (CIHR), the Social Sciences and Humanities Research Council (SSHRC) and NSERC.
- iv) Because of the relationship between the NCE Secretariat and its partners, staff of the NCE Secretariat is usually aware of other applications submitted by the same applicants or groups to other programs within the partners. For the purposes of adjudication and award administration, selection committees may be provided with information of co-applicants' applications and awards in all programs. In cases when, for example, there is a question of possible overlap in the support of the same research activity by two or more programs, an application submitted to one program may be used during the review of an application submitted to another program. NCE Secretariat staff may also disclose the contents of applications to program staff in the agencies for the purposes of determining the most appropriate source of funding, jurisdiction, or to monitor overlap in federal support.
- v) The NCE Secretariat and its partners may use personal information about applicants in their files and databases to identify prospective committee members and reviewers for specific grant applications, planning and evaluation purposes, audits, and to generate statistics for these activities. The agencies may also use the information in

- their files and databases to generate distribution lists in order to disseminate publications and other information to the research community.
- vi) Data on the gender of applicants is collected by the NCE Secretariat on a voluntary basis only. While gender data on specific individuals is not used in the adjudication process, it may be used by the NCE Secretariat or its partners to promote the increased participation of a specific group in programs and on committees.

Applicants and participants in the NCE Secretariat programs are subject to the [Tri-Agency Framework: Responsible Conduct of Research](#) and their personal information may be used and disclosed consistent with this policy.

#### Information Provided to the NCE Secretariat

Information provided to the NCE Secretariat is subject to the *Access to Information Act* and the *Privacy Act*. Grant applicants and recipients are encouraged to separate information not related to the grant from meetings and documentation available to the NCE Secretariat and its representatives. Furthermore, applicants and recipients should adopt the practice of labelling information as confidential when the information contains:

- (a) trade secrets;
- (b) financial, commercial, scientific or technical information considered confidential;
- (c) information that could result in a material financial loss or gain or impact a competitive position; and
- (d) information that could affect contractual or other negotiations.

#### Annual Reporting Information

Throughout the grant period, recipients of grants are required to provide information to the NCE Secretariat. The information collected is consolidated across the relevant NCE program(s) to generate statistical information, update operational requirements and identify best practices that may be used by staff and committees. Information used in public reports and publications is discussed with grant recipients in advance.

#### Non-disclosure and confidentiality agreements

Representatives of the NCE Secretariat will not enter into separate non-disclosure and/or confidentiality agreements.

For further information on the above Acts, please contact:

ATIP Coordinator  
Natural Sciences and Engineering Research Council of Canada  
350 Albert Street  
Ottawa, Ontario K1A 1H5

Phone: 613-995-6214  
Fax: 613-992-5337