Ontario Research Fund - Research Excellence Social Sciences, Arts and Humanities Round

Program Guidelines

The Ontario Research Fund Research Excellence (ORF-RE) program promotes research excellence of strategic value to Ontario by supporting new leading-edge, transformative, and internationally significant research.

The program recognizes the importance of the arts, the humanities and social sciences to innovation, the development of social knowledge, and the advancement of social and economic well-being in this province.

Applicants to the Social Sciences, Arts and Humanities Round will be required to provide a rationale as to why an investment in their research is important to Ontario, and they are asked to demonstrate how the knowledge emanating from their research has relevance for and will contribute to the economy and the quality of life in Ontario.

The program will contribute towards eligible operating costs of an approved research project to a maximum of 1/3 of the total project costs, with the remaining 2/3 coming from the applicant institution(s) and private sector and community partners.

Notice of Intent

Applicants must submit Notice of Intent (NoI) no later than 60 days after the Call for Proposals. A one paragraph (500 word) overview is required with each NoI and will be posted on the ORF-RE website to help institutions identify opportunities for meaningful collaboration on projects with similar research topics or with similar objectives.

Deadline Dates

The closing date for submitting a Notice of Intent (NoI) for the Social Sciences, Arts and Humanities Round is November 4, 2011.

The closing date for submitting a Proposal to the Social Sciences, Arts and Humanities Round is February 15, 2012.

Funding

The ORF-RE program will fund eligible direct operating costs (including salaries and benefits and limited costs for facilities and equipment, management and administration), as well as a portion of indirect (overhead) costs. The 1/3 contribution is inclusive of both direct and indirect cost support. Grant funds will be provided pursuant to the execution of a Grant Agreement between Ontario and the lead institution, which sets out the respective rights and obligations concerning the Grant of funds from Ontario.

The ORF-RE grant will not exceed the absolute dollar value of the approved amount, even if this ends up being less than 1/3 of the total project value.

The minimum ORF-RE support to a project from the Social Sciences, Arts and Humanities Round will be $200,000 and the maximum amount of support to a project will be $1 million.

Please note: Institutional and private sector contributions to direct costs can be cash or in-kind. In-kind contributions must be clearly justified as to the absolute requirement to the research project and fully described and justified as to how the value of the contribution was arrived at. For contributions to indirect costs, refer to section on Eligible Indirect Costs.

Eligible Applicants

Funding is open, on a competitive basis, to:
A Not-for-profit research institution seeking eligibility for ORF-RE funding must demonstrate that:

- It is not an agency of the federal government, a provincial government, a territorial government, or a for-profit organization
- It demonstrated its capacity to conduct research
- It does not receive ongoing operating funding from the province

Where an eligibility to apply for ORF-RE funding may be in question, such institutions must request and receive confirmation of eligibility from the ORF Advisory Board.

The following organizations will not be considered eligible and cannot apply for, or receive, ORF funding:

- For-profit organizations and agencies of for-profit entities
- Federal departments, departmental corporations, parent Crown corporations, or wholly-owned subsidiaries of parent Crown corporations
- Provincial or territorial departments, agencies, or Crown corporations, as defined in the Government Agency Establishment and Accountability Directive (except for universities, colleges, other educational institutions, or hospitals)
- Non-profit corporations that have been established by any of the above

Researchers employed by federal, provincial or territorial government departments or agencies and for-profit organizations are not eligible to apply for ORF funding as Principal Investigators unless they hold an eligible institution academic appointment, in which case, the eligible institution must agree to be the applicant.

Funds contributed by the ORF-RE for approved projects are disbursed to the eligible lead research institution. All research supported by ORF funds, including international initiatives, must be conducted in Ontario at an eligible institution.

**Please note:** Approved consortia (multi-institutional) projects must have an Inter-Institutional Agreement (IIA) in place as soon as practically possible. The IIA must identify and address:

- the lead institution
- governance structure
- Intellectual Property (IP) ownership and disposition
- control and ownership of research equipment
- financial arrangements, including allocations of contributions, expenditures and indirect costs.

**Eligible Projects**

Research proposals in all arts, humanities and social sciences disciplines are eligible for funding consideration.

All proposals received are subject to the peer-reviewed adjudication process and are evaluated based on the four program assessment criteria (see below).
Proposals must include a plan for:

- IP ownership and disposition
- youth outreach/mentorship activities

**Please note:** Research capacity created by the ORF-RE program should be sustainable. Support for a project does not imply funding under a future ORF-RE round.

**Ineligible Projects**

ORF-RE will **not** support proposals seeking funding for:

- contract R&D where the private sector owns the resulting IP
- clinical trials
- endowed research chairs
- high performance computing platforms

**Assessment Criteria**

The ORF-RE program is a **discretionary, non-entitlement program**. Funding will be awarded on a **competitive basis**. Proposals will be ranked relative to other proposals and will be assessed using the following criteria:

- **quality of research**
  - research excellence
  - credentials of the research team
  - where applicable, degree of inter-institutional and international research collaboration

- **strategic value for Ontario**
  - socioeconomic relevance to Ontario
  - potential to influence social innovation and the quality of life in Ontario
  - potential to enhance the province’s profile in the global research community
  - engagement of private sector and/or community partners in adopting project outcomes
  - commercial potential of the anticipated research results

- **development of research talent**
  - recruitment, retention and training of highly qualified personnel (HQP)
  - meaningful engagement of graduate and post graduate students and post doctoral fellows.
  - experiential learning opportunities for graduate and post graduate students and post doctoral fellows (i.e. project/thesis topics derived through interaction with an industry or community partner; management/entrepreneurship training, etc.)

- **project management**
  - business plan for the management of the project
  - project management and governance structure commensurate to the size and complexity of the project
  - sustainability plan for the research that is created
  - project budget, budget justification and method for ensuring accurate forecasts
  - clear, specific and measurable milestones and deliverables

**Application & Review Process**

The ORF-RE application and review process is as follows:

- institutions submit Notices of Intent (NoI) within 60 days of the Call for Proposals.
NoI’s are posted on the Ministry website to help institutions identify opportunities for meaningful collaboration on projects with similar research topics or with similar objectives.

- institutions submit applications by the submission deadline date.
- ministry staff review applications for completeness.
- applications are forwarded to three external expert reviewers for assessment of academic merit and quality of research.
- applications and external reviews are forwarded to peer review panels for a review against criteria.
- up to three peer review panel members conduct in-depth assessment of each application against the full set of assessment criteria.
- review panels make consensus recommendations to the ORF Advisory Board.
- the ORF Advisory Board makes recommendations to the MRI Minister.
- the MRI Minister makes the final decisions at his sole discretion.
- decisions are communicated to institutions by a letter to the institution’s Vice President of Research, the lead institutional contact and the Principal Investigator.
- given that ORF-RE is a discretionary, non-entitlement program funding decisions are final and there is no appeal process.

**Project Management**

An institution must detail and confirm that the management of the project will be accountable and will have sufficient authority and independence to ensure that public funds are used appropriately. Projects must identify how they will provide accurate multi-year and in-year budget forecasts.

Proposals must clearly outline how the project will be managed and identify:

- all projects must have an identified project manager
- while the principal investigator is responsible for the overall delivery of research results, for projects with an ORF-RE award exceeding $500,000 a project manager other than the principal investigator is required. These projects must also retain an arm’s length advisory board.
- governance structures to be established (eg. Board of Directors, academic or research advisory committees). The governance structure should not include Ontario government participation.

**Important:** proposals must also outline how the research capacity will be sustained after completion of the project.

**Ethical and Safety Requirements**

Institutions must undertake the responsibility to ensure any experimentation will be acceptable on ethical and safety grounds.

- In the case of laboratory animal experimentation, the institution must comply with the [guidelines and policies of the Canadian Council on Animal Care](http://ccac.nrc-cnrc.gc.ca/index-en.html).
- Any research involving human pluripotent stem cells must adhere to the [Guidelines for Human Pluripotent Stem Cell Research](http://www.scrisk.ca/document/475).
- Institutions must ensure that any research involving databases containing personal information adheres to ethical and legal requirements relating to privacy, confidentiality and security of the database information.
- Research involving radioactive materials must comply with the [Canadian Nuclear Safety Commission regulations](https://www.cnsc-ccsn.gc.ca/en/).
Project Budget

The ORF-RE aims to support new research only. Applicants are required to provide a zero-based budget that details all revenue sources that will support the operating needs of the proposed project, including:

- private sector contributions
- institutional contributions (Contributions from research-focused charities, foundations, and private philanthropists, as well as community, municipal and federal government contributions qualify as institutional contributions).
- the ORF funds
- the direct and indirect costs of the project

A detailed justification of each budget line item is required (Budget Breakdown) to allow reviewers to assess all costs and whether the requested resources are appropriate for the execution of the project. The final determination of an item's eligibility (contribution or expenditure) rests with the ORF.

Accurate multi-year and in-year budget forecasts are vital for the success of the program. Projects must demonstrate that they will be able to provide accurate forecasts and timely requests for payment.

Budgets for projects that include multiple sub-projects must include a budget amount for each sub-project, as well as outline financial inter-dependencies between sub-projects, if applicable.

The ORF provides operating funds. Accordingly, it is recommended that costs for:

- facilities and equipment do not exceed 10% of total direct costs
- management and administration do not exceed 10% of total direct costs

The budget and requests for disbursement must be prepared using a cash accounting method. The last reporting period may include accruals for the final financial audit report and other eligible budgeted expenses, as approved by MRI, but not paid by the project end-date.

Eligible Direct Costs

The ORF-RE grant can be used for the following eligible direct costs.

- **salaries and benefits**, which can include:
  - salaries, stipends and related non-discretionary benefits of researchers, technical staff and management and administrative staff directly involved in the project, assistantships for students directly involved in the project: ORF will cover up to $20,000 for graduate student research assistants (Masters and PhDs) and $50,000 for postdoctoral fellows. However, institutions are free to top up the stipends extended to students and postdoctoral fellows assisting the research project.

  **Please note**: students/PDFs etc. must be working directly on the project and only their prorated time and costs directly related to the project will be considered. Classroom attendance and/or work, teaching assistantships/stipends not directly associated with work carried out on the project are not eligible.

  - consulting fees* (up to 5% of total direct costs)

*Fees for consultants—defined as individuals unrelated to any of the project partners and subcontracted to provide service or knowledge of a highly specialized nature for up to one
quarter per fiscal year—must be essential to the research and demonstrate they save the project time and money. Their fees should reflect reasonable market rates.

- honoraria for guest lecturers

**Please note:** Personnel costs, reflective of actual salary and benefits, can only be claimed in proportion to the time spent working on the project. The Ministry may request supporting documentation to this effect, such as time sheets or certification by the faculty Dean.

When a private sector partner provides personnel with specialized knowledge or skills, ORF-RE will regard this as an in-kind contribution to be valued at that personnel’s salary and benefit level in proportion to the time spent on the project. Such personnel will not be considered as consultants.

- **facilities and equipment** (up to 10% of total direct costs), which can include:
  - research equipment, supplies, computer and communication equipment as well as software required for the research, including costs of purchase, refurbishment, transportation, extended warranties, importation costs, staff training for use, maintenance and operating costs (not including indirect costs such as power, insurance etc.)
  - cost of renovations and alterations of existing space
  - leased space or institutional contributions of space when that space is newly developed, renovated, refurbished or leased

**Please note:** Equipment, supplies, software etc. must be critically and explicitly needed to carry out the project.

- **other direct research costs**, which can include:
  - commercially available consumable supplies, etc.
  - costs for dissemination of research results
  - costs of holding a workshop or seminar, including hospitality costs of networking purposes for research related activities
  - safety related expenses for field work, including immunizations, protective gear etc.
  - reasonable out-of-pocket expenses for fieldwork, conferences and collaborative trips
  - reasonable travel costs to visit collaborating universities/colleges or business partners for the purpose of the project (amount may be limited at ORF discretion)
  - air travel costs - not to exceed full economy fares (amount may be limited at ORF discretion)

- **management and administration**, which can include:
  - salaries and benefits of management staff/personnel directly involved with the project
  - management and administration costs, including reasonable justifiable office supplies (amount may be limited at ORF discretion)
  - **other costs**, which can include items such as external audits of the finances of the project as defined in the grant agreement

**Eligible Indirect Costs**

Indirect costs are overhead costs associated with conducting the research project.

The ORF grant is inclusive of both direct and indirect costs.

Applicants can allocate up to—but not more than—40% of project total direct costs toward indirect (overhead) costs, in line with the institution’s policy on overhead charges.
The ORF contribution includes overhead. No more than 40% of the direct cost portion of the ORF contribution can be used for indirect costs. To determine the maximum amount that can be taken from the ORF contribution toward overhead, please use the following formula: Overhead amount = (grant amount / 1.4) x 40%.

For example, for a grant of $1,000,000, the maximum that can be taken for overhead purposes is $(1,000,000 / 1.4) x 40% = $285,714.

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\text{Indirect costs} = 40\%
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\text{ORF Funds} \quad \text{Institutional contribution} \quad \text{Private sector contribution}
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Overall project budget

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\text{Direct costs} = 60\%
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\text{ORF Funds} \quad \text{Institutional contribution} \quad \text{Private sector contribution}
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**Ineligible Costs**

The ORF-RE grant is not to be used for the following:

- costs related to proposal development
- fees for use of equipment owned by the institution unless such fees are charged to all institutional users based on a published schedule
- costs relating to existing facilities infrastructure improvements, not specifically related to the proposal and/or not included in the original application
- opportunity costs
- any items or services not directly related to the project
- contract R&D (where the private sector owns the resulting IP)
- clinical trials
- endowed research chairs

**Dates for Eligibility of Contributions and Expenses**

Expenditures for the project are eligible only from the project start date to the completion date, as defined in the grant agreement. The start date is subject to negotiation, but it cannot be any earlier than the Social Sciences, Arts and Humanities Round Call for Proposals date of August 29, 2011.

Unexpended cash contributions will be considered eligible if made no earlier than twelve months prior to the posted deadline for submission of applications to a competition round (February 15,
Overhead is considered an expense and costs related to overhead can only be shown beginning from the start date of the project as defined in the grant agreement.

Eligible in-kind contributions are deemed expensed at the same time they are contributed or acquired by the research institution, therefore, can only be shown as contributed and expensed between the project start and end dates as defined in the grant agreement.

**Institutional Contributions**

Applicants must disclose the sources of their institutional contributions, which can include:

- the Social Sciences and Humanities Research Council (SSHRC) awards directed to researchers of the institution who are then involved in the research of the project—eligible for ORF matching. The industry portion of an NSERC CRD and an NSERC Industrial Research Chair will be considered as an eligible private sector contribution.
- the non-infrastructure portion of a Canada Research Chair award to an institution if the Chair is working on the project
- any research funding, philanthropic gift, or grants and gifts directed in general to the research institution and earmarked by the institution to an ORF-RE project or directed to the project itself

**Please note:** Grants received for a specific purpose from the Ontario government or from an Ontario government agency cannot be used as an institutional contribution towards the project.

**Community Partners**

Applicants are encouraged to form linkages with community partners that have an identifiable and persuasive interest in the research and who demonstrate a commitment to its undertaking. The community partner may participate in a project by contributing funding, providing professional expertise to the investigating team, or by having the capacity to apply the results of the research towards the social and economic benefit of Ontario. Community partners may be not-for-profit organizations that operate in this province under the Corporations Act which do not receive funding from the Ontario government. Such partners include family and community associations, foundations, cultural organizations; educational and training associations, environmental groups, municipalities and professional organizations.

Community partner funding will be considered solely as a component of the institutional contribution to a project. The participation of eligible community partner personnel will be deemed to be an institutional in-kind contribution to the project.

**Private Sector Partners**

Meaningful participation of industry in Ontario's research—as evidenced by financial and in-kind contributions and vested interest potentially leading to commercialization—is a significant part of both the ORF-RE's mandate and the program assessment criteria. For the purposes of assessment, private sector partners can include:

- for-profit businesses
- business organizations and/or not-for-profit research institutes funded primarily by relevant business

While private sector partners do not need to be located in Ontario, the lead institution must demonstrate that the project will make a positive impact on Ontario's research and commercialization capabilities.

**Please Note:**
In assessing the strength of the private sector commitment, researcher-owned sole proprietorships are not considered eligible private sector partners on a project in which the researcher is the principal investigator or collaborator.

All researchers are required to fully declare any interest they have in any of the private sector partners named in the proposal. In some cases, there may be less than arm's length relationships among certain private sector partners, institutions and researchers participating in the project (e.g. where the researcher is a part owner).

Such relationships will be reviewed on a case-by-case basis and may be acceptable, provided the partner:

- has its own physical facilities, separate from that of the university researcher;
- employs its own technical staff; and
- is under the management of someone other than the university researcher.

Where such relationships arise, they must be fully disclosed to the ORF in the application.

The applicant must provide all information on the degree of ownership of researchers involved in the project and their role in the private sector company to ensure that the commercial activity is consistent with the lead institution's established policies on disclosures of commercial interests, as well as with its conflict of interest guidelines. The lead institution may be required to confirm this capability at the time of contract negotiation against criteria determined by the ORF.

**Private Sector Partner (PSP) Contributions**

Applicants are required to disclose all revenue sources for their project, including all private sector contributions.

**Private sector cash contributions:** Cash contributions must be fully detailed in the PSP’s Letter of Support (LoS). The LoS should also outline the PSP’s vested interest in the project and why it is making the contribution. The LoS should be on company letter head and signed by an authorized officer of the company.

**Private sector In-kind contributions are non-cash resources:** In-kind contributions need to be crucial to the project (i.e. if not contributed by the private sector, the institution would have to acquire the resources with institutional cash). The LoS needs to clearly detail the nature and value of the in-kind contribution. The LoS needs to justify how the in-kind contribution valuation was arrived at.

Contribution of eligible in-kind equipment or services must be justified and priced at one or more of the following:

- fair market value
- company book value
- price for internal users or transfers
- selling price to most favoured customer
- internal rates or incremental cost of providing service

Contributions of eligible in-kind personnel time and/or services must be priced at the actual salary and benefits proportioned to the time spent on the project. Company overhead costs are not eligible.

Contribution of eligible software must be valued at:

- most-favoured customer price
- equivalent available commercial price
Please note: developmental costs, unless proprietary one-of-a-kind, are not eligible.

In-kind contributions can include:

- equipment or related warranties
- materials and expendable supplies
- software and databases/datasets
- use of space or facilities
- salaries (including benefits) of professional, technical, analytical, or project-specific administrative personnel donated by the private sector partners
- access to unique databases or High Performance Computing services
- travel (costs may be limited), including per diems paid to private sector partner employees or contractors, for essential time limited off-site work related to the project

Ineligible in-kind contributions include:

- donations in the form of goodwill
- services that are usually performed for free
- salaries and benefits of staff not directly related to the project
- salaries and benefits of personnel who usually act as volunteers
- overhead costs incurred by the PSP contributing personnel time
- standard discounts – academic or otherwise
- equity in an emerging private sector company

Fair market rates or as defined in "Contribution of eligible in-kind equipment or services" will apply for:

- expendable supplies
- physical space or use of facilities outside the institution
- use of facilities and equipment outside the institution
- remote field work

The ORF reserves the right to make the final determination of the eligibility and fair value of in-kind contributions.

Please note: For the purposes of assessing the strength of a private sector contribution, the ORF reserves the right to request evidence of the private sector partners' financial viability, such as the private sector partner's most recent set of audited financial statements.

**Intellectual Property (IP)**

The ORF does not claim any ownership or rights to any IP resulting from ORF-RE funded projects. Such rights are to be determined by the lead institution in accordance with its current IP policy. In cases where a consortium of applicants exists, the policy, as dictated in the Inter-Institutional Agreement (IIA) between the consortium members, will dictate the IP policy.

Applicants are expected to make mutually agreeable commercialization arrangements with their private sector partners, and to demonstrate how the economic benefit of the proposal extends beyond the private sector partners.

Please note: The ORF requires that all applicants adequately address IP issues at the time of application. If an applicant does not have the right of "freedom to operate" (i.e. if they may infringe on someone else’s intellectual property rights) with regards to the development and disposition of IP, the ORF will consider their submission as contract research and, as such, ineligible under the ORF-RE program criteria. The ORF may request a copy of the institutional and/or relevant IP policy.
Ownership and Control of Research Equipment

Ownership and control of research equipment related to a funded ORF-RE project must remain with the institution for a period of five (5) years after acquisition and/or installation. In the case of a project with a multi-institutional composition or consortium, the IIA should dictate the arrangements made with regard to the ownership, control and disposal of research equipment.

Research equipment must be located at an eligible research institution(s), or outside an eligible research institution when it can be shown that this is the most effective placement of the equipment. Any change in location requires notification in writing to the ORF and may require the approval of the ORF.

Youth Outreach

Successful applicants will be required to connect youth with researchers and may use up to 1% of the ORF grant to undertake annual youth outreach activities directly pertaining to the ORF-funded research project. The primary target audience is high school students as they are most receptive to in-depth mentorship experiences.

Researchers can:

- engage youth audiences as well as educators and the general public both on-campus and in the local community
- expand on current outreach activities, or start new initiatives with an emphasis on activities that are free to youth and the public
- partner with other researchers in their institution(s) to undertake a broader outreach initiative
- participate in outreach activities operated by other organizations
- involve graduate students in outreach program design and delivery
- apply provincial contributions to expenses incurred in developing and delivering the outreach activity, e.g. consumable supplies, development of working models, mileage

Outreach activities can also include such initiatives as speaking opportunities, lecture series, workshops and demonstrations, student competitions and lab mentorship.

Common Application Errors and Weaknesses

Common weaknesses of applications identified in the first five rounds of competition include:

- failure to meet research excellence criterion
- failure to indicate how the proposal differs from the current state of the art research in the field, within the Ontario context as well as nationally and internationally
- failure to indicate how the proposed research differs from research previously funded by the Ontario government
- proposed research lacks focus (numerous, unrelated or loosely related projects)
- failure to “make the case”, i.e. to explain the steps that led to the proposed research concept
- failure to demonstrate the strategic value of the research to Ontario
- proposed research has weak commercialization potential and/or weak research capacity building (HQP)
- the budget appears inflated and/or expenses are not adequately justified
- the management structure is poorly defined
- the governance structure lacks autonomy

Grant Agreement

When funding for a proposal is approved, the successful applicant will sign a grant agreement (a contract) with MRI.
The agreement will address terms and conditions for the disbursement of the grant that include, but are not limited, to:

- milestones, deliverables and performance measures
- project budget
- project management
- mode and schedule of payments
- accountability framework
- IP ownership and disposition
- communications strategies
- contract termination clauses
- monitoring and reporting requirements, including annual progress reporting, financial audits and Request for Disbursement and other reports as stipulated

The ORF will monitor the project in relation to:

- governance
- timely submission of annual progress reports, including success stories
- project milestones, deliverables and performance measures
- cash flow and accuracy of cash flow forecasting
- financial reporting and audits
- youth outreach
- IP arrangements
- other requirements as set out in the contract

Please note: The ORF, at its discretion and upon reasonable notice, reserves the right to undertake periodic scientific reviews of projects.

For your information, a sample copy of the ORF-RE contract will soon be available for download.

**Application Instructions and Forms**

Please download the ORF-RE Notice of Intent, Application Instructions and Application Form, including the Budget Workbook.

**Service Standard**

The Ministry of Research and Innovation is committed to making timely decisions on all Complete Applications once submitted. The Ministry will use its best efforts to notify Applicants of decision within 6 months from application deadline.

**Contact Information**

If you have questions about the ORF-RE check Frequently Asked Questions or contact:

Application and adjudication:
Mima Vulovic, 416-212-7060, mima.vulovic@ontario.ca
Joel Bartczak 416-326-1111 joel.bartczak@ontario.ca

Post-award and contracting:
Jack Krepel, 416-326-9603, jack.krepel@ontario.ca

**Linked Documents**

Program Overview
Guidelines
Application Instructions
Information

The Ministry of Research and Innovation is subject to the Freedom of Information and Protection of Privacy Act. The information and documentation provided to the Ministry of Research and Innovation may be shared with members of the ORF Advisory Board, the Review Panels, external expert reviewers and others for the purposes of administering the ORF program.