

GUIDE

SUPPORT PROGRAM FOR RESEARCH AND INNOVATION ORGANISATIONS (PSO)



Partenaire financier

Québec 

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1. PROGRAM OBJECTIVES

The support Program for Research and Innovation Organisations (PSO) offered by InnovÉÉ and by the Ministère de l'Économie, de l'Innovation et de l'Énergie (MEIE) provides funding for collaborative research projects related to the electrical industry, smart grids, transport electrification, and intelligent vehicles and transportation systems, by linking the expertise and resources of industrial partners and research institutions.

The program's objectives include the following:

- Contribute to the modernization, development and sharing of research infrastructures;
- Create partnerships between universities, colleges, institutions and industry, in Quebec and internationally;
- Strengthen the technological innovation capacity of businesses and stakeholders; and promote technology transfer through concrete spin-offs;
- Promote research results that have commercial potential;
- Contribute to the adoption of sustainable development objectives by the actors of the innovation system and their partners.

The funding program is offered in the form of a non-repayable grant and is aimed at the integration and development of new technologies related to our strategic research areas. Under this program, the functions or intended uses of the product, process or service must have significant advantages over existing solutions in the market and in the company's sector of activity to enable the company to be competitive. In particular, they must contribute to :

- To develop knowledge, know-how and new technologies and to transfer them to companies and other organisations;
- Enhance the value of institutional research results that have market potential;
- To increase research collaborations and partnerships between various research centers and companies in order to facilitate technology transfer;
- To encourage and strengthen the technological innovation capacity of companies.

To access these grants, you must submit an application during one of InnovÉÉ's **calls for projects**.

Do not hesitate to [contact our team](#) if you have any questions.

2. PROGRAM PARAMETERS

The funding parameters for projects submitted to the program (Table 1) are based on the size of the partner companies.

There are two categories of eligible projects:

- SME project, involving at least one Quebec SME¹ (SME)
- Large enterprise(s) project (LE)

TABLE 1 : SUMMARY OF THE PROGRAM MAIN PARAMETERS²

	Project Category	
	SME	LE
Minimum industrial partners	1	1
Minimum number of research partners (university, CCTT or public research centers)	1	
InnovÉÉ contribution as a % of project costs (maximum)	40%	20%
Industrial contribution as % of project costs (minimum)	20%	40% (of which 50% may be in kind)
Maximum public contribution as % of project costs	80%	
Maximum project duration	3 years	
Maximum value of InnovÉÉ's contribution ³	500 000\$/year	

NEW : Projects for which InnovÉÉ's total contribution is less than \$350,000 benefit from an express lane that reduces the approval time. Do not hesitate [to contact our team](#) to find out more!

¹ Company legally constituted according to the federal or Quebec laws in force and registered with the Registraire des entreprises du Québec, with 249 employees or less, having a place of business in Quebec and having production and/or R&D activities in Quebec

² The grant criteria and other terms of our funding program are subject to change without notice.

³ Including indirect research costs (IRC) and management fees.

Please note: a company's contribution paid under a government grant for Tax Credits for Scientific Research and Experimental Development will not be considered as an industrial contribution, but as a public fund contribution.

2.1 Eligible Research Subjects

Projects submitted must fall within InnovÉÉ's strategic research areas.

These areas include :

- **Electric Transportation**
- **Intelligent Transportation**
- **Production of electrical energy**
- **Transport, distribution, storage, and optimized use of electrical energy.**

You can find a detailed list showing examples of application areas [here](#).

2.2 Eligible Research Partners

The application must be submitted by a research institution established in Quebec. The eligible institutions are

- **Universities**
- **College technology transfer centers (CCTT ⁴)**
- **Public research centers⁵**

The list of eligible public research centers can be found here:

<https://www.economie.gouv.qc.ca/bibliotheques/programmes/mesures-fiscales/reconnaissance-des-centres-de-recherche-publics-admissibles/liste-des-centres-de-recherche-publics-admissibles>

Do not hesitate to [contact us](#) to confirm the eligibility of a research partner.

2.3 Eligible Industrial Partners

- At least one of the industrial partners must have production or R&D activities in Quebec. Foreign and Canadian companies are eligible as second (or third, etc.) industrial partners.

⁴ Eligible CCTT list : <https://www.quebec.ca/education/cegep/recherche-collegial/centres-collegiaux-transfert-technologie>

⁵ List of eligible public research centers: <https://www.economie.gouv.qc.ca/fr/bibliotheques/programmes/mesures-fiscales/reconnaissance-des-centres-de-recherche-publics-admissibles/liste-des-centres-de-recherche-publics-admissibles/>

- Companies that are majority controlled by a government department or agency are not eligible as industrial partners. Their contributions will be considered as a public contribution. An exception is made for **Hydro-Québec**, which is considered an eligible company in some cases. Please [contact us](#) for more information.
- Related companies may not apply for the same project. Related means that "the relationship between the companies would be such that one has the ability to exercise, directly or indirectly, control or significant influence over the financing or operating decisions of the other".

Affiliated companies must demonstrate that:

- 1) Each has a reason to be involved in the project and benefit from it;
 - 2) They have distinct operations, employees, and customers.
- All project stakeholders must be members in good standing of InnovÉÉ from the date the project is recommended by InnovÉÉ's project committee (a sub-committee of the organization's Board of Directors) until the project's end date. Verification of partner membership will be completed for each installment. The membership form can be completed on [our website](#).

2.4 Eligible Expenses

Only expenses incurred in Quebec are eligible (e.g. salaries of researchers based outside Quebec are not eligible).

Important: The financial package of your project must be presented in the "*InnovÉÉ_PSO Template*" file, available on request, [contact us!](#)

For SME projects :

- **Salaries, wages, and benefits for employee** hired specifically by the research institutions to carry out the project (students, postdoctoral fellows, research assistants, research professionals, technicians, etc.) who are not subject to any other public financial support. Eligible expenses exclude any university professor's salary as well as costs related to the release of college professors to carry out project activities.
- **Student scholarships** that are not supported by any other public funding.
- **Expenditures on materials, supplies and other consumables⁶** incurred by the research institutions specifically for the purpose of carrying out the project.
 - Computer licenses will be considered as consumables.
 - Consumables cannot be the object of commercial transactions between stakeholders (e.g. purchased from one of the industrial partners).
 - Products or services provided by the industrial partners of the project must be in-kind contributions.
- The **purchase or rental of equipment⁷** incurred by the research institutions specifically for the realization of the project, the value of which is equal to or less than \$5,000 before taxes per piece of equipment (for a maximum total of 25% of the total eligible expenses).
- **Travel expenses** (conferences, field work, meetings with partners, etc.) incurred by the research institutions specifically for the realization of the project. *Important note: If you are planning public presentations on the project, plan for at least one public presentation in Quebec, please contact us if this is not possible.*

⁶ Consumables are defined as all resources (materials, supplies, etc.) required specifically to conduct the research of the project in question, and whose useful life does not exceed the duration of the project. Resources that can be used by other ongoing or future research projects or teams (e.g., long-term laboratory equipment, components that can be incorporated into a finished product, etc.) are considered as non-consumable.

⁷ The purchase of computers which are considered as consumables since their lifespan is estimated at 3 years (maximum duration of the project).

- Other expenses, including **professional and subcontracting fees, laboratory costs, intellectual property management and exploitation costs, costs of disseminating results** (publication costs, etc.), etc., incurred by the research institutions specifically for the realization of the project.

Important note: In-kind contributions are not counted for the calculation of the minimum industrial partner contribution for SME projects. However, these contributions represent a potential indicator of the involvement of the industrial partners in the project and are therefore considered in the evaluation of the project.

For LE projects:

- 1) Eligible research institution expenses are the same as SME projects (see above).
- 2) In-kind contributions from partners are also allowable if:
 - (i) They are auditable expenses (their value can be reasonably established and supported by documentary evidence);
 - (ii) They are essential to the implementation of the selected project;
 - (iii) They correspond to costs incurred specifically to carry out the project;
 - (iv) They represent an item that would otherwise have to be paid for at equal or greater cost;

Important notes:

- Projects are cost-shared and InnovÉÉ's support is for the entire project, not just a portion of the project's research activities.
- No previously funded expenses may be re-funded, in whole or in part.
- InnovÉÉ grants must be matched by new industrial contributions (not already committed as co-funding to other programs or projects). It is therefore not possible to enhance an already approved project.

2.5 Indirect costs and management fees

For all projects:

- MEIE, through InnovÉÉ, can contribute to the funding of **indirect research costs (IRC)** to universities, college and CCTT⁸.

⁸ IRCs are all expenses not directly related to research, such as costs related to the operation and maintenance of facilities (laboratories, etc.), management of the research process (grant applications, commercialization, and

- A 27% IRC rate can be applied to MEIE's share of the funding for the following five expense items:
 - salaries, wages, and benefits;
 - student scholarships;
 - materials, consumables and supplies;
 - equipment purchases or leases;
 - travel and living expenses.

The total amount of IRCs payable is subject to approval by MEIE.

- If applicable, universities, colleges and CCTT must also collect IRCs from industrial partners and various project funders; IRCs are applied to the following five expense items:
 - salaries, wages, and benefits;
 - student scholarships;
 - materials, consumables and supplies;
 - equipment purchases or leases;
 - travel and living expenses.

These expenses must be paid directly to the research institution.

- InnovÉÉ is involved in the management of all funded projects. A portion of the budget must therefore be allocated to InnovÉÉ to cover project management costs. RSRI management fees are eligible expenses that are accounted for as direct project costs. As such, they must be included as direct project expenses in the financial package.

They represent a maximum of 5% of the total cost of the project for a maximum amount of \$50k, except for justified exceptions. The amount payable by the industrial partners corresponds to 3% of the eligible project expenses.

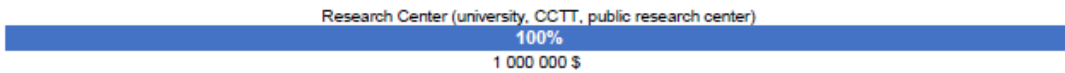
3. EXAMPLES OF FINANCIAL ARRANGEMENTS

Examples of financial packages are shown below in Figure 1, corresponding respectively to an example for a SME and LE project (see Table 1 on page 2 for program criteria).

others), and compliance with regulations and safety standards. Please consult your academic partners for more information.

PSO (PME)

Typical \$1 000 000 Project - Allocation of Expenses

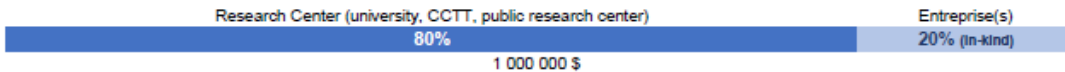


Typical \$1 000 000 Project - Financing



PSO (GE)

Typical \$1 000 000 Project - Allocation of Expenses



Typical \$1 000 000 Project - Financing



Figure 1 : Financial arrangements examples

Important : The financial set-up of your project must be presented in the "*InnovÉÉ_PSO Template*" file, available on request, [contact us!](#)

4. TRL LEVELS

In order to properly evaluate the project submitted to InnovÉÉ, the applicant must identify the technological maturity level (TRL⁹) of the technological solution at the beginning of the project and that targeted at the end of the project.

5. INSTRUCTIONS FOR ADDITIONAL FUNDING

⁹ See ISO Standard 16290 - "Space Systems -- Definition of Technology Maturity Levels (TML) and their evaluation criteria" (http://www.iso.org/iso/fr/catalogue_detail.htm?csnumber=56064).

The majority of our projects are eligible for complementary funding programs such as *NSERC*¹⁰ (Alliance, etc.), Mitacs, CNRC-PARI, or any other public, federal, provincial or municipal program other than MEIE. The following conditions apply:

- The minimum industrial funding shares (as indicated in Table 1) must always be met and requests for complementary funding must include the funding requested from InnovÉE.
- Industrial contributions must be new and uncommitted (i.e., not used as a contribution in any other application for funding that does not include InnovÉE).

Applicants are encouraged to submit their request for additional funding at the same time as the grant application is submitted to InnovÉE.

Please note: All information requested by InnovÉE is also requested by the NSERC -Alliance program except for the TRLs. Instructions for submitting applications to NSERC- Alliance :

(1) When InnovÉE funding is not confirmed:

o Include the full budget

o Submit a list of research activities that would be eliminated if the InnovATE grant is not approved

(2) If InnovÉE funding is confirmed and NSERC funding is not:

o If required, InnovÉE can provide a support letter for your federal application

6. APPLICATION EVALUATION CRITERIA

Grant applications are judged based on the following criteria:

- Scientific and technical quality and degree of innovation of the project
- Project impact
- Quality of the partnership
- Project management

¹⁰ See https://www.nserc-crsng.gc.ca/Innovate-Innovover/alliance-alliance/funding-financement_eng.asp for more informations

7. SUMMARY OF THE SUBMISSION PROCESS

The complete cycle of application and approval of a funding request to InnovÉÉ includes six main phases and the InnovÉÉ team is there to accompany you in each of them: [contact us!](#)

- 1) Identification of the research topic
- 2) Formation of the research partnership
- 3) Search for additional funding
- 4) Preparation and presentation of the proposal in a call for proposals
- 5) Evaluation of the application
 - i. Analysis of compliance with eligibility criteria (see Table 1 on page 2 for program criteria);
 - ii. Techno-economic evaluation: The proposal is evaluated by external evaluators¹¹ based on their experience and knowledge of the sector, technologies and market;
 - iii. Approval of the application by InnovÉÉ's Board of Directors
 - iv. Board of Directors;
 - v. Approval of the application by MEIE.
- 6) Launch of the project after approval

Submit your application no later than midnight on the closing date of the call [by email](#).

8. TIPS FOR FILING AN APPLICATION

To improve the chances of success of your application, we suggest the following:

- Start your partnership early, taking advantage of our expertise and contacts: [contact us!](#)
- Write your proposal in a clear, concise manner for evaluators with some expertise.
- Include documentation (e.g., a PowerPoint presentation) of your current product and explain how the proposal will improve it.

¹¹ The application for funding is considered highly confidential. All evaluators sign non-disclosure agreements.