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# PROGRAM GUIDE: Campus Alberta Small Business Engagement (CASBE) Program

## PROGRAM OVERVIEW

### Background

The Campus Alberta Small Business Engagement “CASBE Program” is a funding Program within Post-Secondary Investments at Alberta Innovates to leverage the Natural Sciences and Engineering Research Council “NSERC” efforts through the Engage Program. NSERC created the Engage Program to foster the development of new research partnerships and has been working with Canadian Provinces to build funding opportunities that facilitate collaboration between Post-secondary Institutions and Small/Medium Enterprises (SMEs). Alberta Innovates is interested in incentivizing Alberta Institutions and SMEs to collaborate more and take advantage of NSERC Engage Grants. The CASBE Program aims to facilitate Post-secondary Institutions (the “Applicant”) to use their technology platforms’ world-class knowledge, facilities and students at Colleges and Polytechnics within Campus Alberta to assist SMEs (the “Industry Partner”) in Alberta to close knowledge gaps identified during their technology development and hopefully reduce time to innovate (the “Project”).

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*The CASBE Program, launched in October 2016, was the first time that Alberta launched a joint Provincial/Federal initiative to address this goal for Alberta Institutions and SMEs interested in Engage Grants. It has been so successful that the decision was made to continue the Program for the 2019-20 term.*

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## Program Details

The CASBE Program extends a NSERC Engage project from 6 months to up to 12 months in duration with a total \$50,000 budget. Alberta Innovates and NSERC have collaborated to create a streamlined, single application process through the NSERC Engage Colleges portal.

In order to qualify for Alberta Innovates funding, Projects must be aligned to any of the Alberta Innovates Emerging Technologies priority areas listed below.

2018/19 Emerging Technologies Call (CASBE Program): Strategic Priority Areas		
<b>Proposed projects must utilize Platform Technologies</b> in the natural sciences and engineering:		
Platforms and Emerging Technology Priority Areas		
Platform Technologies	Common Enabling Outcomes	Business areas (Not Exhaustive)
<b>Information and Communication Technologies (ICT)</b>	<ul style="list-style-type: none"> <li>Economic Diversification</li> <li>Technology development</li> </ul>	<ul style="list-style-type: none"> <li>Data-enabled Innovation: Artificial intelligence, Machine Learning, Big Data and Data analytics, Quantum Technologies, Communication Technologies, Cloud computing, Augmented Reality/Virtual Reality Virtual service delivery, and Smart communities and bioinformatics</li> <li>Digital Technology for Business Transformation: Visualization, Cryptocurrency, Cybersecurity, Geomatics, Geospatial technologies, Internet of Things (IoT)</li> <li>Innovative Production and Distribution: Robotics, Autonomous transportation, advanced manufacturing technologies including 3-D printing &amp; fabrication</li> <li>Clean Energy: Water and climate technologies, emission reductions, smart grid, cleaner fuels, biofuels, solar, wind and nuclear.</li> </ul>
<b>Nanotechnology</b>		<ul style="list-style-type: none"> <li>Innovative Production and Distribution: Advanced Nano engineered materials, devices and systems</li> <li>Atomic &amp; molecular systems, Quantum Technologies, Sensors and MEMS</li> </ul>
<b>Omics</b>		<ul style="list-style-type: none"> <li>Genomics, Proteomics, Metabolomics, Metagenomics, Glycomics, etc.</li> </ul>

## HOW THE PROGRAM WORKS

### Eligibility

**(a) Applicant Eligibility Criteria** - To qualify, an Applicant:

- must meet NSERC's eligibility criteria; and
- demonstrate the relationship between the Applicant and Industry Partner does not create a conflict of interest;
- have a physical presence in Alberta;

**(b) Industry Partner Eligibility Criteria** To qualify as an Industry Partner, a SME is required to satisfy the following criteria:

- be a for-profit SME;
- demonstrate the relationship between the Applicant and Industry Partner does not create a conflict of interest;
- have a physical presence in Alberta;
- meet the following definition of an SME: a company with fewer than 500 Full Time employees, and less than \$50,000,000 annual gross revenue;
- be a legal entity:
  - incorporated in Alberta; or
  - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
  - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

### **(b) Project Eligibility Criteria**

To qualify for funding all Projects must:

- Align with any of the Emerging Technologies priorities listed in this Program Guide;
- Have an Industry Partner;
- be stepped with critical "go/no go" milestones;
- be completed within the one-year term; and
- submit to other criteria that Alberta Innovates may develop from time to time.

## Program Objectives and Performance Measurement

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*Over the life of a Project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the Applicant to reach their objectives. Funding is tied to outcomes and achievement of results. For this reason, Alberta Innovates funds on a milestone completion basis. This means the Applicant are expected to submit a Progress Report before Alberta Innovates advances the next tranche of funds.*

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Once Projects are completed, Alberta Innovates continues to monitor performance for five (5) years to accurately evaluate the economic, social and environmental benefits realized for the province.

All Investment Agreements outline performance indicators tracked over the course of the Project and the responsibilities of the Applicant to report on outcomes subsequent to the completion of the Project.

Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregate Program.

These are highlighted on the next page.



# Objectives and Performance Metrics



## APPLICANT OBJECTIVES

Access exciting industry-related research challenges

Establish collaborative relationships with industry

Provide links for career opportunities between HQP and industry

## INDUSTRY PARTNER OBJECTIVES

Create marketable solutions to current large industry challenges

Provide links for career opportunities between HQP and industry

Gain access to unique facilities and research equipment

SHORT TERM



## PROJECT PERFORMANCE INDICATORS

Increased R&D activity within and between Alberta SME and academic partner;

Increased knowledge transferred to the Alberta SME industry partner

LONG TERM



## PROGRAM PERFORMANCE INDICATORS

Reported increase in R&D investment

Enhanced skill and knowledge base in industry

Increase experience and technical skills for HQP relevant to the SME

Increase HQP career opportunities

New and improved products and/or services



## ALBERTA OBJECTIVES

Shortened business innovation cycle for Alberta SMEs

Increased revenues in the Alberta business sector

Increased technology-based jobs in Alberta

## How Funding Works

### (a) Project Funding

The Alberta Innovates-NSERC partnership supports Projects for one (1) year instead of 6 months as originally established by NSERC Engage.

The maximum Alberta Innovates investment is \$25,000 (the “Investment”), which combined with the NSERC Engage investment of \$25,000, provides a total of \$50,000 per Project. Alberta Innovates’ Investment and NSERC’s funding will flow to the Applicant to cover Eligible Expenses.

The SME is expected to match Alberta Innovates’ Investment with in-kind contributions (the “Contribution”), and overhead expenses at the Applicant institution for the project cannot exceed 20%.

NSERC will release their funds to the Applicant at the beginning of the project. Alberta Innovates will release the other 50% of the Investment to the Applicant at the end of the Project term, after an approved Project Mid-year presentation by the Applicant and their industry partner six (6) months after the Project Start Date.

### (b) Eligible and ineligible expenses

Alberta Innovates only funds reasonable costs incurred subsequent to a signed Investment Agreement between Alberta Innovates and the Applicant. Any costs incurred prior to the signing of the Investment Agreement, or costs greater than market prices are deemed ineligible. Costs must be incurred between arm’s length entities. Please refer to our standard form Investment Agreement found on our website to get an in-depth understanding of eligible and ineligible costs.

The chart on the next page provides a high-level summary of eligible and ineligible expenses.



## Summary of Eligible and Ineligible Expenses

Category	Eligible Expenses	Ineligible Expenses
<b>Labour</b>	<ul style="list-style-type: none"> <li>✓ Labour costs for those individuals specifically identified as working on the Project</li> </ul>	<ul style="list-style-type: none"> <li>✗ Overhead costs charged to employee labour rates</li> <li>✗ Professional training &amp; development</li> <li>✗ Professional fees unless directly related to the Project</li> </ul>
<b>Materials</b>	<ul style="list-style-type: none"> <li>✓ Reasonable material costs</li> </ul>	<ul style="list-style-type: none"> <li>✗ Sales and marketing collateral</li> </ul>
<b>Capital Assets &amp; Software</b>	<ul style="list-style-type: none"> <li>✓ Capital improvements</li> <li>✓ Capital equipment</li> <li>✓ Software or information databases</li> </ul>	<ul style="list-style-type: none"> <li>✗ Acquisitions of land or buildings</li> <li>✗ The undepreciated value of eligible capital costs which extends beyond the Project term</li> </ul>
<b>Travel</b>	<ul style="list-style-type: none"> <li>✓ Mileage, lowest economy class airfare, and accommodation where the Industry Partner's place of business is located in a different city than the Applicant</li> </ul>	<ul style="list-style-type: none"> <li>✗ Costs relating to meals, entertainment, hospitality and gifts</li> <li>✗ Passport or immigration fees</li> <li>✗ Reimbursement for airfare purchased with personal frequent flyer Programs</li> <li>✗ Commuting costs between place of residence and place of employment</li> </ul>
<b>Sub-contractors</b>	<ul style="list-style-type: none"> <li>✓ Services or products of another entity</li> </ul>	
<b>Other</b>	<ul style="list-style-type: none"> <li>✓ Costs which Alberta Innovates pre-approves in writing as an eligible expense</li> </ul>	<ul style="list-style-type: none"> <li>✗ Collection charges, allowance for interest on debt, fines and penalties</li> <li>✗ Federal and provincial income taxes, goods and services taxes</li> <li>✗ Expenses for projects or activities outside the approved Project</li> <li>✗ Costs associated with applying for government grants and Programs</li> <li>✗ Technical or professional journals</li> <li>✗ Provisions for contingencies</li> <li>✗ Routine testing and maintenance</li> <li>✗ Costs Alberta Innovates deems ineligible at its sole discretion</li> </ul>

## HOW TO APPLY



### STEP 1 Application Submission

Applicants will complete the **CASBE Program consent form** downloadable from Alberta Innovates website.

The form must be signed by the Applicant and the Industry Partner and then added to the NSERC Engage application form.

Applicants will then complete the NSERC Engage application form, listing the CASBE Program as a supporting organization under the contributions from supporting organizations, and including the requested contribution from CASBE Program (up to \$25,000). Be sure to consider Alberta Innovates' listed Eligible Expenses when preparing the budget covered by Alberta Innovates.



### STEP 2 Evaluation and Decision

Applications will be reviewed simultaneously by Alberta Innovates and NSERC and only those Projects approved by both NSERC and Alberta Innovates will receive the Investment.

NSERC and Alberta Innovates will execute separate agreements with the Applicant.



### STEP 3 Project Management

A mid-year progress report in the form of a presentation by the Applicant to Alberta Innovates and NSERC, will provide the only Milestone before the Final Report. Approval of the Milestone is required for the Project to continue.

Alberta Innovates continues to require information from the Applicant for five years following the completion of the Project in order to measure long-term benefits.



## EVALUATION PROCESS

Alberta Innovates leverages internal staff and external expert reviewers to evaluate the Applications submitted. Alberta Innovates evaluates promising Applications aligned with the Platform and Emerging Technologies as shown in this Program Guide.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

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*The assessment criteria and all investment decisions are at the sole discretion of Alberta Innovates.*

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## TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested Applicants with a roadmap of what to expect over the lifecycle of a CASBE Project, from the announcement of the Program, through the Application stage, during the Project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the Program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the application form as the one authorized to speak for the Applicant.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require the Applicant to sign our standard form Investment Agreement. A copy of the Investment Agreement is available on the Alberta Innovates website. The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

## DIVERSITY, EQUITY, AND INCLUSION (DEI)

We believe the Alberta research and innovation (R&I) ecosystem is stronger and more sustainable when it is broadly reflective of the overall diversity of our community. Alberta Innovates strives to ensure all interested and qualified parties have an equitable opportunity to participate and contribute.

Historically, there have been a number of groups/populations that have been under-represented in the Alberta R&I landscape including:

- Women entrepreneurs/researchers;
- Indigenous entrepreneurs/researchers;
- Remote/small community entrepreneurs/researchers; and
- New immigrant entrepreneurs/researchers.

We are guided by the principles of:

- Diversity – both internal and external participants to our processes are comprised of a varied composition of demographics;
- Equity – our processes support equal access across all demographics; and
- Inclusivity – our processes proactively work to include underrepresented segments of the R&I landscape.

Accordingly, as part of its commitment to Diversity, Equity and Inclusion (DEI), Alberta Innovates will request Applicants' permission to:

- Collect data in the Application on a voluntary basis to better understand diversity;
- Provide Application navigation support to Applicants from under-represented groups; and
- Integrate a DEI focus into its due diligence processes including striving to have diverse review committees to foster unbiased decision making.

## CONTACT INFORMATION

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