

INDUSTRY ASSOCIATES PROGRAM

R&D ASSOCIATES GUIDE

>Introduction

Research and Development Associates (r&D Associates) is a program component of the Ingenuity Industry Associates program that addresses the growing need for research personnel in Alberta industry. Through **r&D Associates**, Alberta companies recruit recent Master's and PhD graduates to conduct research that benefits the organization.

>Objectives

The primary objective of **r&D Associates** is to increase research expertise in Alberta-based companies. At the same time, recent Master's and PhD graduates gain applied experience and contribute to the research and related activities of the company.

This program is designed to achieve the following goals:

- Accelerate business ideas with research expertise.
- Enhance resource-based sectors or Alberta's economy to sustain competitiveness in global markets.
- Help transform Alberta industry through the practical application of research.
- Support the expansion of highly trained personnel in research and industry settings.
- Foster the development of researchers with business interests or experience.

>Program Structure

R&D Associates consists of an annual stipend of \$55,000 from Alberta Ingenuity Fund for up to two years; and an annual research allowance of \$7,000 to cover qualified costs.

Six competitions are held each year. The deadlines are February 1st, April 1st, June 1st, August 1st, October 1st, and December 1st. Results are announced six to eight weeks after the application deadline.

Applications are submitted by the Alberta companies. Forms can be downloaded from www.albertaingenuity.ca.

>Eligibility

Company

The company must meet *each* of the following criteria to be eligible:

- a. Provincially or federally incorporated and operates in Alberta, or it not incorporated, is wholly Alberta-owned.
- b. Operates on a for-profit basis.
- c. Possesses adequate and sound financial resources
- d. Engaged in research and development activities based, to a significant extent, on technology derived from science and engineering disciplines

- e. Maintains appropriate in-house research facilities such as laboratories and computing equipment within the company's premises OR has access to external research facilities as supported by contractual agreements.
- f. Has an effective plan for applying the research results, and marketing or exploiting products or processes in the best interests of the company and Alberta economy

The Industry Associates program favours Alberta research-based 'gazelle' companies, those rapidly growing companies that are making a difference in Alberta. Alberta Ingenuity defines a gazelle company as follows:

- A gazelle company is a fast growing technology company that has revenue growth of 20% each year for five years from a base of \$1,000,000 with a minimum employment of 10 at the beginning of the period, or
- A company that posts an average employment growth of 20% per year for three years and has a base of at least 10 employees.

While Alberta Ingenuity favours gazelles, these are not the only research companies eligible for funding through the Industry Associates program. Start-ups, small and medium-sized, and large companies are also eligible and are defined as follows:

Start-Up Companies

General Guidelines for start-up company qualifications are as follows:

- A new company in product development mode;
- Time in business does not exceed 4 years;
- No public offering;
- Annual sales do not exceed \$1,000,000;
- A minimum of one full-time employee and no more than 12.

Small and Medium-sized Companies

A company with:

- A minimum of one full-time employee and no more than 500 full-time employees
- Annual sales not exceeding \$50,000,000.

Large Companies

A company with:

- More than 500 full-time employees
- Annual sales exceeding \$50,000,000.

The following chart provides a guide to the maximum number of Industry Associates allowed to be held concurrently based on company type:

	Start-up	Small & Medium	Large
Limit on total Concurrent Industry Associates Award Holders (inc. R&D & Commercialization Associates)	2	3	2
Limit on Commercialization Award Holders	1	2	0

Research Projects

Research projects must meet *at least one* of the following criteria to be eligible:

- Pre-competitive research focusing on a targeted or applied research question or problem leading to the Proof-of-Concept of an inventive idea
- Prototype development project leading to a demonstration product for technology validation, market capture and new investment opportunities
- Demonstration and feasibility investigation of innovative technologies leading to new or enhanced products and processes to meet market needs or demands

The project must engage the candidate in research and development activities and provide opportunities for growth.

Other project-related activities such as market research, intellectual property management or business development may be assigned to the candidate; such activities should not take more than 20 percent of the candidate's time.

Candidates

Candidates must meet *each* of the following criteria to be eligible:

- Graduate of a Master's or PhD program within five years of application date OR graduate student expecting to complete Master's or PhD degree requirements within three months of submitting an application.
- Not currently employed by the sponsoring Alberta-based company OR is currently employed by the sponsoring company but for less than 12 months.
- Candidate may not have previously been funded through the Industry Associates program.

Re-Applications

In the case of an unsuccessful application, a company may reapply with the appropriate changes to the original application no more than once. A covering letter addressing the changes that have been made to the original application must be attached to the re-application, and the new information within the application must be manually **highlighted** in the hard copy.

If a second application is still unsuccessful, Ingenuity will not accept further submissions of the same proposal (i.e. same project, same person). If the company wishes to apply in future competitions, they are required to submit a completely different proposal with a new applicant and/or a new project.

> Award Details

Term of Award

The award is for up to two years.

Award Renewal

Year 2 funding is contingent on satisfactory performance during the first year and upon proof of continued need for an r&D Associate, as outlined in the progress report required at the end of the first year.



Start Date

Successful candidates are expected to start within three months of an award offer, or within five months of the application deadline.

Location

Successful candidates must be employed full time in Alberta by the sponsoring company.

Stipend and Research Allowance

An r&D Associates award consists of a \$55,000 stipend per annum and a yearly research allowance of \$7,000. The total award value over two years is \$124,000.

The company may contribute additional funds to the stipend in order to recruit competitively in the global market. The company is expected to pay for additional project costs and any benefits normally provided to employees doing similar work.

The research allowance is a lump sum amount provided in the first month of each year of the award to the Associate. These funds are intended to aid the Associate in their research project by covering additional expenditures for the following purposes:

- Relocation expenses
- Scientific materials and supplies
- Books, periodicals and journal subscriptions
- Library, computer hardware and software, and minor equipment costs
- Professional development and technical training
- Travel expenses to scientific conferences, and for research collaborations and business meetings

Any purchases outside of those listed above must be approved by Alberta Ingenuity prior to the actual expenditure. Research Allowance funds that have not been spent at the end of the Associate's award must be returned to Alberta Ingenuity. Ownership of all purchased materials resides with the company. Research allowance may not be used for hospitality and entertaining purposes.

Review Procedure and Selection

The Ingenuity Industry Associates Review Committee reviews all applications using an evaluation tool, ProGrid®.

Recommendations are based on the following criteria:

1. The research project's potential to significantly advance knowledge and innovation; and the project's impact on the company's ability to commercialize new or enhanced products and processes.
2. The strength of the candidate's academic record, research skills and experience, and the suitability of their skills and knowledge for the proposed project.
3. The potential of the research project to increase the company's market position, to develop the company's capacity for future innovation, and to enhance Alberta's ability to attract and retain highly-qualified personnel focused on innovation. See the Industry Associates program link on the

Alberta Ingenuity web site for more detail on application guidelines and evaluation criteria for r&D Associates.

Conditions of Receipt of Award

Payment of Awards

The company will be reimbursed for stipends on a monthly basis. The research allowance will be forwarded as a lump sum payment to the company at the beginning of each award year. Where the project work plan includes periods of time at a collaborating organization, the company is expected to continue to administer the award.

Employment Status and Benefits

Alberta Ingenuity is not the employer of, and assumes no liability for, the Ingenuity r&D Associate. The r&D Associate will be subject to the same terms and conditions of employment as regular employees of the company who are engaged in similar work.

Intellectual Property (IP)

Intellectual property developed during the r&D Associate's tenure will fall under the company's IP policy. If the r&D Associate spends time at another organization, the company must ensure that IP agreements are in place between the two parties.

Publication of Results

The results of research funded through r&D Associates should be available in the public domain and/or commercialized in Alberta. The Ingenuity r&D Associate and sponsoring company are encouraged to structure the research project in a way that permits the publication of non-proprietary aspects of research findings in a timely manner. When commercialization of research outcomes is planned, a delay of up to one year in publication or public presentation will be allowed to support filing for IP protection or commercialization.

Identity

The successful candidate will identify himself/herself as an Alberta Ingenuity r&D Associate or Alberta Ingenuity Industry Associate, which conveys a standard of excellence for the qualified candidate and the sponsoring Alberta company.

Acknowledging Alberta Ingenuity


All publications, presentations and public messages arising from Ingenuity funding must acknowledge the support of Alberta Ingenuity. Please contact Alberta Ingenuity for assistance.

Public Information

Alberta Ingenuity reserves the right to publish and/or disseminate information regarding its grants. As a public body, Alberta Ingenuity is regulated by the Freedom of Information and Protection of Privacy Act (FOIPP) of Alberta. As such, Alberta Ingenuity will not communicate personal data of Ingenuity-supported researchers to anyone outside of Ingenuity.

Changes and Termination

The Ingenuity r&D Associate will be expected to conduct his/her project as outlined in the application. Any substantial changes must be consistent with the overall intention



of the approved award. The r&D Associate must receive approval from Alberta Ingenuity prior to any significant changes to the project as outlined in the approved application. If the program is interrupted with the intention that it will be resumed, the r&D Associate and company must seek and receive approval from Alberta Ingenuity prior to the interruption. Alberta Ingenuity must also be notified if the project is terminated by the r&D Associate or the company. When the award ends or is terminated, Alberta Ingenuity will provide a final report form for the candidate and company to complete and return.

Reporting

At the end of the first year, the r&D Associate and sponsoring company must submit a progress report using a prescribed format. Within 60 days following completion of the award, the r&D Associate and sponsoring company must submit a final report using a prescribed format on the project's achievements with respect to its objectives.

During the three years following completion of the award, Alberta Ingenuity will collect information on impacts and outcomes resulting from the award funding, such as new hires of R&D staff, new or enhanced products and processes, publication of results, intellectual property generated, new customers, new or increased sales, market capture, and other significant outcomes.

Site Visits/Program Audits

As part of an ongoing effort to improve and enhance the *r&D Associates* program component, an Ingenuity industry representative will be in contact with the Associate and a company representative to set up a meeting to follow-up and discuss how the program is working for them.

>Useful resources

- Natural Sciences and Engineering Research Council Industrial Research Fellowships program (www.nserc.gc.ca/indus_e.htm)
- National Research Council Industrial Research Assistance program (www.nrc.ca/irap).
- Canada Customs and Revenue Agency's Scientific Research and Experimental Development program (www.cra-arc.gc.ca/sred).