

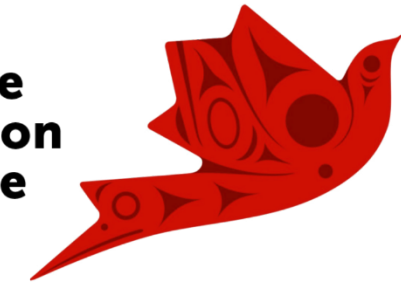
Indigenous Innovation Initiative

**Indigenous Innovation
Initiative Financial
Information Session**

May 2021

Agenda

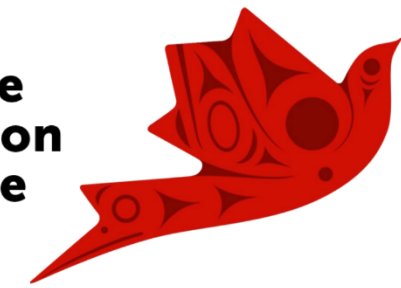
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**Indigenous
Innovation
Initiative**

1. Eligible Costs
2. Ineligible Costs
3. Indirect Costs
4. Travel Expenses
5. Budget Amendment
6. Financial Reporting
7. Reporting Template
8. Payments
9. Holdback 5%
10. Frequently Asked Questions
11. Q&A

1. Eligible Costs



- **Types of Expenses:**
- GCC will pay for eligible expenses necessary to support the purpose of the Project and if they are paid while the Innovator has an active Project.
- There are two types of eligible expenses:
 - **Direct Delivery Expenses:**
 - Expenses necessary to complete the Project that the Innovator can easily trace to a specific Project activity.
 - **Administrative Expenses:**
 - Expenses necessary to the Innovators operations and support activities, which are required to complete the Project and cannot be traced to a specific Project activity.
 - For the Project, the Innovator must use no more than 20% of their Project budget on Administrative Expenses

1. Eligible Costs

1.1 Salaries and Wages – Innovator's Employees

- Direct Delivery Expense: Daily rates paid to employees for work directly related to the Project
- Administrative Expense: Daily rates paid to management and support staff for work directly related to the Project

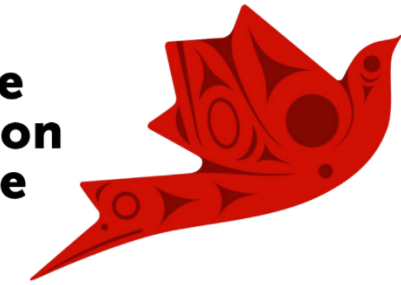
1.2 Professional Fees – External individuals or groups hired by the Innovator to contribute directly to the Project

- Direct Delivery Expense: Payments made to an individual or company who is not an employee of the Innovator to work on Project specific activities
- Administrative Expense: Payments made to an individual or company who is not an employee of the Innovator to work on Project management activities

1.3 Travel Costs

- Direct Delivery Expense: Project related ground/air transportation, cost of meals and accommodation and local transportation within Canada
- Administrative Expense: Not applicable.

1. Eligible Costs continued



1.4 Materials and Supplies

- Direct Delivery Expense: Materials and supplies needed to complete the Project
- Administrative Expense: General office materials and supplies that are not specific to a single Project activity

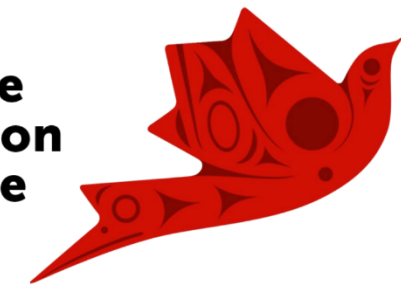
1.5 Equipment Costs

- Direct Delivery Expense: Not applicable.
- Administrative Expense:
 - Rent or purchase and associated repair and maintenance, of office equipment and furniture necessary to carry out the Project Activities which is not already owned by the organization
 - Internet / telephone services

1.6 Facilities

- Direct Delivery Expense: Daily facility rentals for Project activities
- Administrative Expense:
 - Costs related to office space, including utilities.
 - Repair and maintenance of facilities, directly related to project activities

1. Eligible Costs continued



1.7 Publicity and Promotion:

- Direct Delivery Expense:
 - Design, production and printing of brochures and posters, and the purchase of ad space to promote the Project activities
 - Updates to the Innovator's website to include Project information
 - Expenses relating to film, video, radio or television productions, if specifically needed as Project activities
- Administrative Expense: Not applicable.

1.8 Other Project Costs:

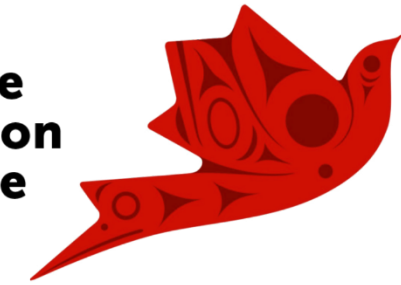
- Direct Delivery Expense:
 - Costs related to the taking care of dependents and children
 - Costs to ensure Project activities are accessible to people living with disabilities
 - Cost of traditional medicines, offerings/gifts for ceremonies, and snacks/meals served during key Project activities
- Administrative Expense:
 - IT maintenance, long distance communication, printing expenses, bank fees, etc.

1. Eligible Costs continued

1.9 Sub-grants:

- An external organization, who cannot be easily replaced by another vendor, that acts like a partner to provide key services required to complete the Project.
- Sub-grantees are required to:
 - Be legal entities, who can enter into legal agreements.
 - Follow the same expense requirements and policies as the Innovator.
 - Keep track of expenses incurred in a detailed general ledger and submit this detailed general ledger to GCC with the Innovator's final financial report.
 - Complete their budget following the same guidance provided above, identifying expenses as Direct Delivery or Administrative Expenses

2. Ineligible Costs



The following ineligible costs **cannot** be paid for with GCC funding:

- Entertainment expenses;
- Any expense paid before the start date of the Project, or after the end date of the Project;
- Gifts, unless directly related to Project activities;
- Costs related to family members or individuals who are not directly working on the Project;
- Bonus payments, salaries and wages, or fees that include profits of the Innovator (GCC outlines this restriction in the introduction paragraph and Salaries and Wages – Innovator’s Employees)
- Money lost or gained through monetary exchange rates when the Innovator pays for an expense in any currency other than CAD;
- Alcohol and Cannabis;
- Gratuities/tips;

2. Ineligible Costs continued

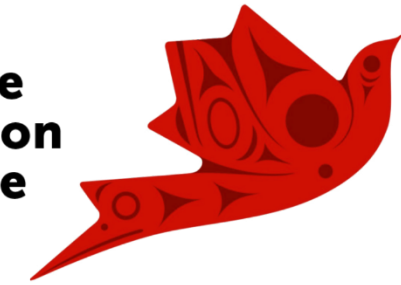
- Expenses above the lowest cost of an economy flight at the time of reservation (Business Class) (GCC outlines this restriction in Travel Costs);
- Monthly bus passes to get to the office;
- Food/Beverages for daily use in the office (Coffee, tea, etc.);
- Flowers;
- Kitchen supplies;
- Late-submission fines and other penalties imposed by Canada Revenue Agency or other provincial or territorial tax revenue agencies (if any);
- Laundry/dry cleaning;
- Costs for recreational activities (i.e. club memberships);
- All other costs that GCC considers ineligible cost elements.

*Not an exhaustive listing

Please refer to the Women and Gender Equality guideline on eligible expenditures for more information:

<https://cfc-swc.gc.ca/fun-fin/wcf-fcf/elig-en.html>

3. Indirect Costs



The following costs would be deemed indirect costs and are ineligible for reimbursement:

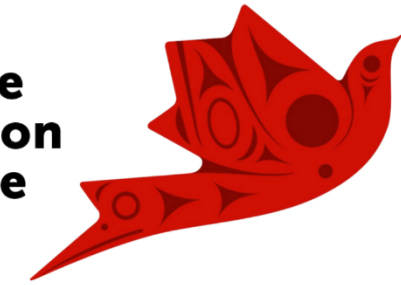
- Changes in the value of a piece of equipment (Amortization/Depreciation);
- Banking and financing costs not related to the Project (interest on a loan);
- Money spent on fundraising campaigns or other fundraising events;
- The purchase of land, buildings, vehicles etc.;
- Insurance (office, board of directors, liability, vehicle, travel);
- Expenses to promote the Project through methods the Innovator already uses (newsletters, magazines, journals, etc.);
- Salaries and benefits for the administration of the organization (including Board Members, or other decision-making body);
- Allowances paid to board members or other decision-making body;
- Any activities done by a volunteering board member;
- Salary increases;

3. Indirect Costs continued

- Severance (the cost of firing employees);
- Recruitment Fees
- Long term sick leave
- Maternity leave
- The cost of hiring new employees;
- Travel (non-program/Project specific);
- Immunizations and medications;
- Costs related to obtaining passports;
- Organization membership fees
- All legal costs not related to Project activities
- All other costs that GCC considers indirect costs.

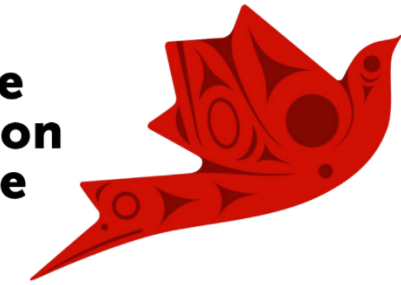
*Not an exhaustive listing

4. Travel Costs



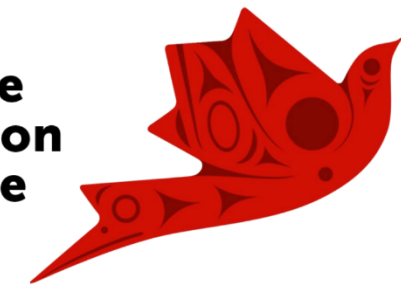
- Travel outside of Canada requires written pre-approval from GCC.
- Air: must select lowest priced direct economy class
 - Flex and business class are not reimbursable
 - Supporting documentation required:
 - Screenshots of the three (3) lowest economy class available
 - Boarding pass
- Gratuities/tips are ineligible (incidental per diem can be used to cover these, if eligible)
- Meals and incidental per diem amount differs by city/country:
 - North America: <https://www.njc-cnm.gc.ca/directive/d10/v238/s659/en#s659-tc-tm>
- Accommodation: The city rate limits listed are provided as a guide to determine reasonable accommodation costs:
 - City rate limits: <https://rehelv-acrd.tpsgc-pwgsc.gc.ca/preface-eng.aspx#allcityratelimits>
- Kilometric Rates: The rates payable in cents per kilometer for the use of privately owned vehicles used for project related activities:
 - Kilometric rate limits: <https://www.njc-cnm.gc.ca/directive/d10/v238/s658/en>

5. Budget Amendment



- A budget amendment needs to be completed and sent to Grand Challenges Canada for approval if the Innovator is:
 - Moving amounts greater than 10% of one budget category to another **OR**
 - Moving amounts greater than \$25,000 CAD from one budget category to another
- Budget amendments must be approved **first** before updating the budget amounts in the Financial Reports
- Please reach out to your GCC Programs contact to request a budget amendment

6. Financial Reporting

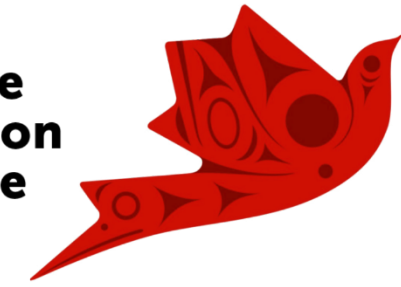


- During the Project, financial reports are required to be submitted quarterly, using the latest financial report template (download from Fluxx)
- Financial Reports are due 30 days after each financial reporting period, based on GCC's fiscal year (April 1st to March 31st)
- Required documents for each financial report submission:
 - **Financial Report:** Completed template in Excel
 - **Signed PDF forms:** Signed PDFs of the Financial Report are only necessary if unable to sign Excel forms
 - **General ledger:** The General Ledger (GL) of the project is a detailed transaction report of all expenses charged under GCC funding for the financial reporting period
 - **Bank statements:** Statement from the last month in the reporting period, clearly showing the account ending balance, if applicable
 - **Disposal of Assets Plan:** Required to be submitted with final financial report or date indicated in the funding agreement, if Equipment has been purchased (download template from Fluxx)
 - **Financial Milestones:** Submit supporting documentation related to financial milestones due within the current period, if applicable.
 - **COVID-19 Questionnaire:** To be submitted with all Financial Reports

6. Financial Reporting - General Ledger

- The General Ledger (GL) of the project is a detailed transaction report of all expenses incurred under **GCC funding** for the Financial Reporting Period (see sample in the Budget template)
- The GL must be in Excel format and must clearly indicate the foreign exchange rate used to convert to Canadian Dollar (CAD), if applicable.
- Minimum information requirements for each transaction:
 - Date
 - GL account number and description
 - Document number (e.g. invoice, receipt, etc.)
 - Description of transaction
 - Amounts (e.g. debit, credit, balance)
 - Classification as per Financial Report

Code	Classification
1.1	Salaries and Wages
1.2	Professional Fees
1.3	Travel Costs
1.4	Materials and Supplies
1.5	Equipment Costs
1.6	Facilities
1.7	Publicity and Promotion
1.8	Other Project Costs
1.9	Sub-grants



7. Reporting Template – Financial Report

- **Financial Report** tab is a high-level cumulative report of actual spending for the project and forecasted expenses
- Please complete all blue and red highlighted cells, including the project information section

Grand Challenges Canada - Financial Report

Blue and red highlight cells must be completed. See Instructions tab for more information.

Project Number

Project Title

Name of Organization

Project Start Date (yyyy-mm-dd)

To ▾

Project End Date (yyyy-mm-dd)

**Financial Reporting Period
Start Date (yyyy-mm-dd)**

To ▾

**Financial Reporting Period End
Date (yyyy-mm-dd)**

**Local currency used to track
expenses in general ledger:**

**Exchange rate used to convert to
CAD**

Budgetary Forecast

Please indicate "Yes" or "No" below

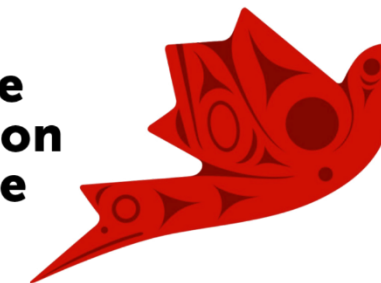
Final Report

Next Cash Flow Period

From ▾

To ▾

Cash Flow Requirement



7. Reporting Template – Financial Report

- **Total approved GCC Budget:** Based on the approved budget or latest budget amendment, if applicable.
- **Total ACTUAL costs from Project Start date to reporting end date:** Sum of all expenses incurred from the Project Start Date until the Financial Reporting Period End Date
- **Quarterly Budget:** Same as the forecast amounts previously reported in the financial report, for the respective Financial Reporting Periods.
- **Actual expenses in financial reporting period:** Sum of all expenses incurred from the financial reporting period start date until the financial reporting period end date.
- **Forecast:** Total expenses the Project expects to incur for the *Next Cash Flow Period*. For any quarters that have passed, leave those columns blank.
- **Variances:** Compares the budgeted expenses to actual expenses incurred. If the variance % calculated in Column O is greater than +/- 10%, please include an explanation for the budget category.
 - **Final Financial Report:** If this is the final financial report, variances are calculated by comparing total actual costs from the project start date to project end date to the total approved GCC budget.
 - **Interim Report:** If this is not the final financial report, variances are calculated by comparing actual expenses in the financial reporting period to the Quarterly budget.

Line item breakdown	Project Start Date to Reporting Period End Date			Current Reporting Period		Forecast						Variances		
	Total approved GCC budget (A)	Total ACTUAL costs from Project start date to reporting end date (B)	Budget remaining as of reporting end date (C = A - B)	Quarterly budget (D)	Actual expenses in financial reporting period (E)	Quarter 1 (Apr-Jun)	Quarter 2 (Jul-Sep)	Quarter 3 (Oct-Dec)	Quarter 4 (Jan-Mar)	Total forecast for current year	Budget remaining after forecasted period	\$ (F = D - E)	% (% = F ÷ D)	Explanations for variance of +/-10% and more between budget and actuals for CURRENT reporting period (quarter/semi-annual)
1.1 Salaries and Wages			-											
1.2 Professional Fees			-											
1.3 Travel Costs			-											
1.4 Materials and Supplies			-											
1.5 Equipment Costs			-											
1.6 Facilities			-											
1.7 Publicity and Promotion			-											
1.8 Other Project Costs			-											
1.9 Sub-grants			-											
TOTAL														

Organization Representative

The Organization attests that the amounts presented in this report are actual expenses and correspond or have been reconciled to their accounting records.

PROJECT LEAD

Name of Representative

Title of Representative

Signature

Date (yyyy-mm-dd)

AUTHORIZED FINANCE OFFICER

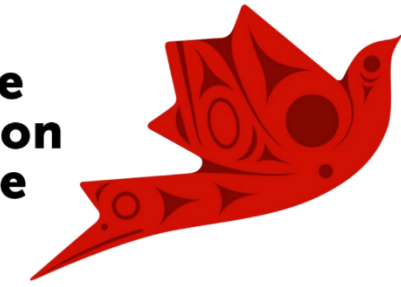
Name of Representative

Title of Representative

Signature

Date (yyyy-mm-dd)

7. Reporting Template – Funds Request



- **Funds Request** tab calculates the next payment to be advanced.
- **Advances and payments received from GCC to date:** List all funding received from GCC in Canadian dollars (CAD) and indicate the date that funds were received by the Innovator.
- **Cumulative Interest Earned:** Enter the amount of interest earned on funds in the separate bank account opened to manage GCC funds. If no interest has been earned, enter \$0.

Funds Request

Blue and red highlight cells must be completed. See Instructions tab for more information.



Grand Challenges Canada
Grands Défis Canada

Project Number

Project Title

Name of Organization

Financial Reporting Period Start Date (yyyy-mm-dd)

To

Financial Reporting Period End Date (yyyy-mm-dd)

Advances and payments received from GCC to date:

	Date (yyyy-mm-dd)	Amount \$CAD
Funding received		
Funding received		
Funding received		
Funding received		
Funding received		
Funding received		
Funding received		
Funding received		

A. Total funds received from GCC to date

B. Cumulative interest earned

C. Cumulative actual cash accounted for up to the end of the financial report period

Date

D. Funds available for spending

(D - A + B - C)

E. Cash flow requirements for next period

From

To

G. Total next amount receivable less 5% holdback

(G - E - D)

(Note: If the "Total next amount receivable" or "G" is negative, no payment advance is due at this time)

H. Total budget for GCC's contribution

I. Total Holdback (5%)

J. Total contributions less holdback

(J - H - I)

K. Total funds received from GCC to date and total next amount receivable

(K - A + G)

(Note: The total amount of (A + G) or "K" may not exceed the amount in "J")

Organization Representative

The Organization attests that the amounts presented in this report are actual expenses and correspond or have been reconciled to their accounting records.

PROJECT LEAD

Name of Representative

Title of Representative

Signature

Date (yyyy-mm-dd)

AUTHORIZED FINANCE OFFICER

Name of Representative

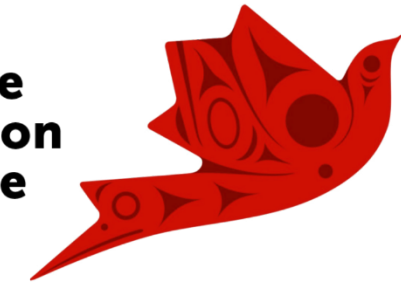
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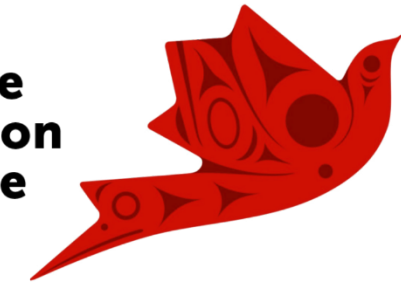
8. Payments

- Funding advancements are based on all funds received to date (advancements and payments) minus actual expenditures to date, plus the forecasted amounts for the upcoming periods included in the Financial Report.
- Payments are based on **approved financial reports and milestones**
- The GCC Finance team will assess and determine the amount of any subsequent payments, if applicable.
- Banking information must be confirmed by your financial institution and provided to your program team lead using GCC's banking information template.
- Delays in approval of financial reports may be attributed to the following:
 - Errors on Forms, revisions required by the Funding Recipient
 - Forms are missing signatures
 - General ledger or bank statements are missing or have variances
 - No explanation of variances over +/-10%
 - COVID-19 Questionnaire missing
- Delays in payment may be attributed to the following:
 - Incorrect banking information (intermediary bank, bank account name, etc.)



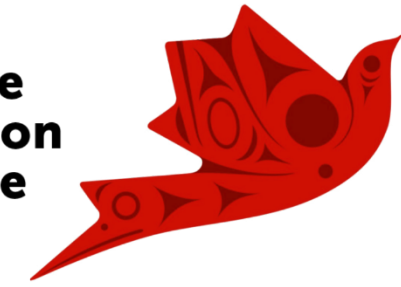
9. Holdback 5%

- All payments to Funding Recipient are adjusted by a holdback of 5% of the total funding amount
- The 5% holdback is released once the project is completed, upon receipt and satisfactory review of the final Financial Report
- Upon completion of the Project, the release of the holdback is limited to the total actual project costs or the funding amount (whichever is lower)
- The GCC Finance team will determine the final payment based on the final Financial Report



10. Frequently Asked Questions

1. Do subcontractors need to provide timesheets?
 - No. Supporting documentation for subcontractor costs would be a detailed invoice and a signed contract. See spot-check audit required documentation for more detail.
2. What procedures would an Organization have to follow to transfer funds from an over budgeted expense category to an under budgeted category?
 - If the transfer would result in a 10%+ variance in a category OR a change of CAD \$25,000+ in any category, the organization would have to request a budget amendment.
3. Can general ledgers be maintained under the accrual basis?
 - Yes, general ledgers can be maintained using cash or accrual basis, as long as the method is clearly indicated.
4. Are bank transaction costs covered by GCC?
 - Yes, but only for the separate bank account which is being used to manage GCC funds.

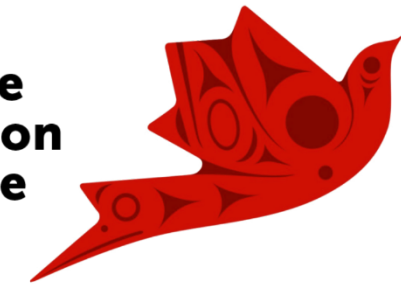


10. Frequently Asked Questions

5. What documentation is required to support travel expenses incurred?
 - Organizations are encouraged to follow their internal travel reimbursement policies for travel expenses incurred by employees. All expenses over \$10 CAD should be supported by a receipt.
6. Can we send both signed forms in one Excel file?
 - Yes, all forms should be signed at the bottom of the page in excel or scanned to PDF.
7. What kind of support is provided if we use our own vehicle to travel?
 - Please provide us receipts for all fuel and other related costs incurred. Only vehicle expenses related to project activities are eligible.
8. How do I report final costs if I have not received the holdback funds?
 - Only expenses incurred within the funding period are eligible for reimbursement. It is permissible to incur expenses from other sources or accrue an amount.

Questions

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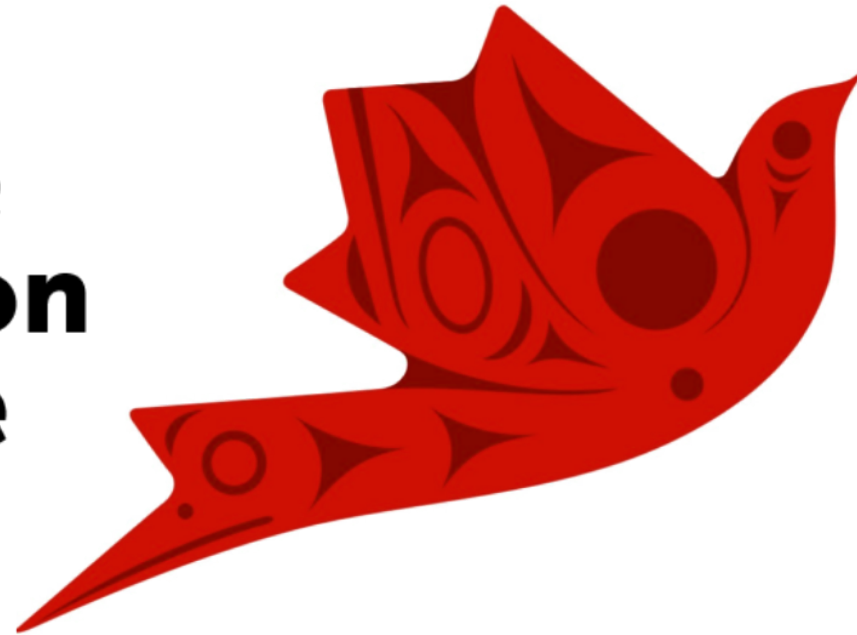
- For any additional inquiries or clarifications:

Contact your GCC Programs Associate

Connor Pion Connor.Pion@grandchallenges.ca

Visit additional resources on GCC's website: <http://www.grandchallenges.ca/funding-opportunities/resources/>

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Located on the Indigenous territory of the Huron-Wendat, Haudenosaunee and the Mississaugas of the Credit, which is part of the Dish With One Spoon Treaty