



Program Guide

January 2026

Innovation Scouting Fund is a program developed and supported by the Canadian Food Innovation Network.

Canadian Food Innovation Network

The Canadian Food Innovation Network (CFIN) is an industry-led, not-for-profit corporation dedicated to becoming the world-leading innovation network for food and beverage. This vision means that over time Canada will develop benchmarks for measuring its relative global position in food innovation and it will continuously strive to bolster Canada's global ranking in food industry competitiveness. The result will be that Canada is recognized globally as an excellent place to undertake food and beverage innovation and that recognition, in turn, will draw more investment and talent to Canada that leads to world class outcomes.

CFIN's program goals are to:

- Accelerate the food innovation performance of companies in Canada;
- Connect innovators and foster collaboration across enterprises and organizations of all sizes, disciplines, sectors, roles, and geography to enable discovery, development, and commercial deployment of innovation outcomes for Canada's benefit; and
- Drive the utilization of Canada's innovation capacity for economic advantage and higher returns on public and private investment.

CFIN Members can leverage YODL™, an interactive online platform designed to help Canadian food and beverage professionals from all sectors of the industry connect, learn, and grow their businesses. YODL is a place for entrepreneurs to discover cutting-edge technology and solutions, meet new business partners throughout the Canadian supply chain, and access government funding opportunities.

On YODL members can find:

- Unique daily content;
- Access to CFIN's innovation challenges and members-only events;
- Access to direct mentorship from CFIN's five Regional Innovation Directors;
- Opportunities to network and collaborate with other food and beverage professionals from across Canada; and
- Business resources, including original research and information on best business practices, consumer trends, R&D, training and much more.

Membership with the Canadian Food Innovation Network is free, and can be accessed at www.cfin-rcia.ca



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1. Innovation Scouting Overview

The Innovation Scouting Fund seeks to directly address real-world business challenges identified by leading Canadian food manufacturers, distributors, foodservice, or grocery retail firms. Each call is sponsored by one of these potential technology adopters and invites Canadian Small or Medium Enterprises and academic researchers to apply with their solutions for consideration and further validation.

The program will provide funding support for the winning foodtech innovator(s) to collaborate directly with a notable player in the Canadian food landscape. These funds will facilitate a robust pilot project, covering essential costs for the innovator and the partnering firm, enabling effective testing and validation in real-world applications.

Each Innovation Scouting Program call is supported by a Call Details document that outlines the priority areas for projects. Applicants will outline their proposed solution and detail their readiness for a pilot.

The total eligible project costs should be between \$20,000 and \$125,000, and the maximum level of matching funding from CFIN will be 60% of total eligible project costs (between \$12,000 and \$75,000).

Applicants must register for a free CFIN membership through www.cfin-rcia.ca. This program guide as well as overview of all our funding programs can be found there.

Applications are submitted on CFIN's Application Portal: <https://cfin-rcia.smartsimple.ca/>

If there are any questions after reviewing the program guide, reach out to the CFIN team at innovation@cfin-rcia.ca.

Frequently Asked Questions: <https://www.cfin-rcia.ca/programs/program-faqs>.

2. Eligibility Requirements

2.1 Eligible Applicants

Eligible Applicants include:

- Small and medium sized enterprises incorporated in Canada (under 499 FTEs and \$50M in annual sales.)
- Academic researchers at Canadian institutions.

Other publicly funded not-for-profit organizations, federal Crown corporations, and government departments or agencies are not eligible to receive CFIN funding.

To qualify for funding, all projects must:

- Respond to one of the priority areas identified in the call details.
- Conduct research and development at Technology Readiness Levels (TRL) 3 to 7. Projects including TRL 8 and 9 components will only be considered if they are part of a project that



also includes a TRL 3 to 7). See [Appendix B - Technology Readiness Level \(TRL\) Scale](#) for a full overview of all the levels.

- The proposed intellectual property or innovation must be Canadian; licensed or internationally owned IP is not eligible for the program.
- Projects must be completed within one year of approval.
- Each call has specific requirements to be met, please view the call guide for those details.

CFIN Programs are competitive and are reviewed on a merit-based approach per intake; meeting the requirements outlined above does not guarantee approval.

CFIN general applicant requirements are further outlined in [Appendix A – CFIN General Requirements](#).

2.2 Eligible Project Costs

The total eligible project costs should be between \$20,000 and \$125,000, and the maximum level of matching funding from CFIN will be 60% of total eligible project costs (between \$12,000 and \$75,000).

For a full overview of eligible costs, please review the Eligible Cost Categories in [Appendix C – Guidelines for Eligible and Ineligible Costs](#)

Eligible project costs must fall under one of these Eligible Cost Categories:

- Direct Labour
- Subcontractors and Consultants
- Direct materials
- Equipment
- Other Direct Costs

In the following tables, applicant refers to the applicant and the call partner.

Direct Labour
The portion of gross wages or salaries incurred and paid by the applicant for direct technical labour on approved project activities which can be specifically identified and measured as having been performed for the project and which is so identified and measured consistently by the applicant's cost accounting system. The cost accounting system should sufficiently prove the hours worked by employees are directly related to the approved project activities. The wages of majority owners/stakeholders in the applicant's or project partner's business are not eligible for reimbursement.
Subcontractors and Consultants
The costs of Subcontracts or Consultants incurred and paid for approved project activities are the costs for work or services performed by an external third party, which can be specifically identified and measured as having been incurred and paid for the approved project activities. The applicant cannot be a recipient of CFIN funding and a Subcontractor for the same project.
Direct Materials



The cost of materials which are incurred and paid and can be specifically identified and measured as having been processed, manufactured and used in the performance of the approved project activities, which are measured consistently by the applicant's cost accounting system.

Materials purchased solely for the approved project activities shall be at the net laid down cost to the applicant, net of any sale taxes and after any discounts offered by the suppliers.

Materials issued from the applicants' general stocks shall be measured in accordance with the material pricing method consistently used by the applicant.

Direct Materials include but are not limited to any raw material that is "used up" by completing approved project activities.

Equipment

The capital cost of Equipment, which are incurred and paid and can be specifically identified as having been purchased for approved project activities and measured consistently by the applicant's costing system. Significant Equipment required to complete the approved project activities should be detailed in the project work plan. See below scenarios for clarification of costs related to Equipment:

1. If an applicant has built the equipment themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.);
2. If an applicant has equipment built by a third party, the costs would be allocated to the equipment category if readily identifiable, otherwise the equipment could be reported in Subcontractors category; and
3. If an applicant outright purchases a piece of equipment, the costs would be allocated to the Equipment category.

Equipment costs include but are not limited to, the purchase of equipment necessary for the approved project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs.

Other Direct Costs

These are eligible direct costs, not falling within the categories of Direct Costs mentioned above, but which are incurred and paid, and can be specifically identified and measured as having been incurred and paid by the applicant for approved project activities and which are so identified and measured consistently by the applicant's costing system. Shipping costs are an Other Direct Cost.

Travel and Outreach Costs meaning those eligible direct costs incurred and paid by the applicant that are directly related to approved project activities. Travel expenses shall be appropriate, economical, reasonable, and available to most of the employees of the applicant. Travel costs can be claimed, to the maximum allowance, as per the CFIN Travel Policy.



Costs incurred in the development of project applications will not be eligible for funding. CFIN will provide funding for projects by reimbursing approved applicants for a portion of their project expenses that are reasonable and eligible.

2.2.1 Service Providers

A service provider intends to bill the applicant for services throughout the course of the project. Service Providers cannot be project partners. The service provider must be independent of the Lead Applicant and have no conflict of interest in providing services for the project.

2.2.2 Affiliated Persons Clause

Affiliated Persons are to be understood and treated as defined in the Income Tax Act, which includes but is not limited to; two or more entities that have similar ownership personnel; or entities that have a working business relationship.

In the case of Eligible Costs for goods or services incurred and paid with an Affiliated Person, the amount of the costs incurred and paid must:

- not exceed their Fair Market Value;
- in the case of a good or service for which there is no Fair Market Value, the amount must not exceed the Fair Market Value of Similar Goods; or
- in the case of a good or service for which there is neither a Fair Market Value nor Similar Goods, the amount must not exceed the sum of the applicable Direct Costs with Indirect Costs (Overhead) at the rate stipulated by the Master Project Agreement, plus 5% profit.

Note: It is important for the applicant from the outset, to self-identify any related parties or Affiliated Persons who will be contracted to provide goods or perform services for completion of approved project activities.

For wholly owned subsidiaries of the Lead Applicant completing approved project activities, its Eligible Costs incurred and paid will be claimed by the Lead Applicant on their behalf and costs are to be treated as if the wholly owned subsidiary is the Lead Applicant.

3. Intellectual Property

CFIN will support industry-led projects that will generate IP of potential benefit to Canada's food ecosystem. Successful applicants must comply with the terms of the CFIN's Intellectual Property Policy (included in the Master Project Agreement) and agree that:

- Any IP deriving from CFIN projects, ownership rights and exploitation thereof, will remain in Canada for a minimum of five years (5) after the end of the project funding agreement unless otherwise approved in writing by the Minister on a case-by-case basis.

CFIN and the Call Sponsor will not take any interest in Intellectual Property in any project. CFIN may assist with facilitating the commercialization of Intellectual Property by applicants for Canada's benefit.



4. Application Process

The Applicant must register as a CFIN member through www.cfin-rcia.ca.

4.1 Program Timelines

Applications will be accepted during program calls. See our website for upcoming application dates. **All intakes close at 11:59PM local time on the intake close date.** CFIN at its sole discretion, reserves the right to alter or cancel the program timelines.

To assist with your project timeline, **CFIN will aim to communicate funding results within 60 business days of the intake deadline; project costs are not eligible prior to this date.** Applicants approved for funding will be required to enter into a Master Project Agreement with CFIN within 30 business days from the date of receipt of the Master Project Agreement.

Incomplete submissions will not be accepted.

4.2 Application Submission

Applications are submitted on CFIN's Application Portal:
<https://cfin-rcia.smartsimple.ca/>

Eligibility pre-screening questions are included in the online Application Portal to ensure projects meet the basic eligibility requirements.

Applicants will receive a confirmation of receipt once they submit their application via email, with a copy of the application.

Full proposals will be reviewed by CFIN to determine if the proposal is compliant with the eligibility requirements. If information is missing or updates are required, CFIN staff will contact you via email and provide you with 48 hours to make changes. If changes are not made in this window, the application will be withdrawn. If the requirements are met the proposal will proceed to the review process. CFIN staff will conduct due diligence to verify the accuracy of information provided in the proposal and may request additional information to assist in the review process. The full review process is expected to take up to 60 business days.

4.3 Project Assessment Criteria

Each application that meets the eligibility requirements will be assessed using the following criteria:

Innovation Scouting Assessment Criteria	Scoring
Does the solution solve a real problem aligned with the call priorities, and is the impact measurable?	25
Does the organization have the human and financial stability to execute the pilot without risk of failure?	25



Does the applicant clearly articulate the specific operational conditions, resources, and technical prerequisites required to successfully test the solution? (includes Budget and workplan)	25
Is the solution distinct from existing options and legally viable for the Canadian food sector?	25
Total Score	100

Applications are scored by CFIN staff and external reviewers based on this rubric. Based on the scores and available funds, winning projects are selected for each intake.

4.4 Completing the Application Template

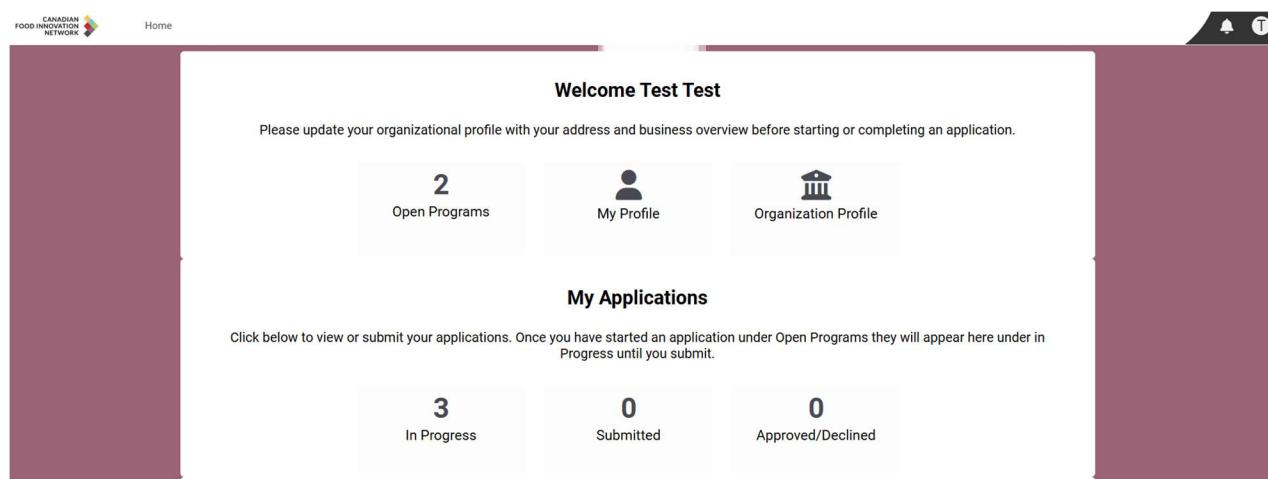
Access the Application: The application forms can be found at
<https://cfin-rcia.smartsimple.ca/>

Become a CFIN Member: Access to this system is activated for CFIN Members only; you can join CFIN at <https://www.cfin-rcia.ca/>

On your first login to the application platform, applicants are encouraged to complete their Organization Profile with their address and other contact information.

To view currently open submissions, select FUNDING OPPORTUNITIES in the top row to view currently open programs and begin your application. Once you have started an application, you can view them under MY APPLICATIONS (Saved Drafts will remain in IN PROGRESS until submitted).

The language of the system can be changed by selecting the Globe Icon in the top right.



* information in fields marked with an asterisk may be disclosed publicly. See Terms and Conditions (Section 7) in the application template for due diligence disclosure requirements.

Section 1. Project Overview *



- Propose a concise but informative project title;
- Provide a short description of the project (maximum 150 words). * Please provide a high-level overview of the project, focus on the objectives that the project intends to achieve. **This information will be used to communicate your goals to a wider audience, if successful.**
- Select the start and end date for the project. **The earliest start date for projects will be 60 days after the intake close date.** This will be outlined in the Master Project Agreement with CFIN. Projects must be completed in accordance with the Master Project Agreement and no later than one year from the start date.
- Primary contact for the project – Provide a name, title, email and phone number for an individual, who will be the primary for CFIN to use for any communications related to the Lead Applicant and project.

Section 2. Applicant Information

- Legal Business Name and Operating Name;
- Provide your address, city/town, province and postal code, website URL, 9-digit business number and date and location of incorporation;
- Business Profile * – provide a short description of what your business does;
- Business Type – select from the drop-down menu;
- Percentage Canadian Ownership – indicate the percentage of the company that is ultimately owned by Canadians or by firms incorporated in Canada (as determined by voting shares);
- Primary NAICS Code – The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. For more information, visit the Statistics Canada [website](#);
- Applicant Ownership Demographics – please respond to the demographic questions regarding business ownership.
- Please indicate any legal proceedings, if any, that may adversely affect your business;
- Applicant Fiscal Year Data: Please complete the data for your most recent completed fiscal year. Please note that regular reporting on this data is required should your project be approved.
 - Revenues from the Canadian Operation, including domestic and export sales;
 - Gross Canadian expenditures on research and development and capital expenditures;
 - Total number of full time equivalents (FTE)s in your business in the past calendar year – Employment figures should be provided using the following definition of an FTE: “means each employee or, where applicable, intern, who works for the client on a full-time basis (i.e. they are responsible to work at least 2080 hours when calculated on an annual basis) and, in the case of hourly paid employees or interns who are responsible to work for the business less than on a full-time basis, each equivalent to such a full-time worker, where the number of such equivalents is calculated by dividing (a) by (b) where (a) = the aggregate of all hours worked by such individuals for the client including hours taken by them as paid vacation, sick leave, and for other similar reasons, calculated on an annual basis, and (b) = 2080 hour”. Please include all paid employees in reporting and exclude employees on unpaid leave of absence.

Section 3. Application Questions



Provide responses (maximum 500 words) to each of the following questions that will form the basis for assessing the proposal.

Q1. What call priority are you applying to?

- Applicants will select from a drop-down list of the priorities from the particular call.

Q2. Technology Solution & Anticipated Impact

- **Problem Statement:** What specific problems does your solution address? Ensure you use the language found in the call priorities.
- **Mechanism of Action:** Briefly explain the underlying mechanism or science of how your solution works. Avoid marketing language.
- **Current Status:** Please identify the solution's current TRL (Must be TRL 3+) and whether the technology is currently being piloted in similar environments.
- **KPIs:** If a pilot were successful, what specific Key Performance Indicators (KPIs) would improve for the partner? (e.g., "10% reduction in water usage," "5-day extension of shelf life," "improved nutrient retention").

Q3. Organizational Resources

- **Team:** Describe the applicable resources, experience, skills, and knowledge in your Business/Organization to support the successful piloting of your technology.
- **Financial Capacity:** Briefly describe your organization's cash position and ability to undertake the project on a funding reimbursement basis.

Q4. Pilot Implementation Requirements & Scope

- **Pilot Learning Objectives:** Clearly articulate the specific technical or operational uncertainties that remain at your current TRL. What new knowledge, data, or performance insights do you aim to generate through this pilot to validate the solution for the partner?
- **Operational & Technical Prerequisites:** Describe the ideal environment required to test your solution.
 - For Hardware/Processing: Specify utility needs (power, water, steam), physical footprint, and integration points with existing lines.
 - For Ingredients/Formulations: Specify processing conditions (temperature, shear), required base formulations, or specific equipment for batching.
 - For Digital/Smart Tech: Specify data connectivity requirements, sensor placement, or access to historical data sets.
- **Partner Resource Expectations:** What specific contributions are required from the pilot partner? Please outline expected staff involvement (e.g., R&D scientists, line operators), access to specific raw materials/feedstock, or required downtime for installation/trials.
- **Scale-Up & Implementation Risks:** Identify the primary risks associated with moving your solution from its current TRL to a pilot environment (e.g., flavor stability at scale, sensor calibration drift) and your strategies to mitigate them.
- **Responses under this question should be supported by your Project Budget and Workplan.**

Q5. Competitive Landscape & Regulatory Readiness

- **Differentiation & Novelty:** How does your solution compare to existing technologies currently available in Canada or globally? Please highlight your specific competitive advantages versus the status quo.



- **Sector Application:** If your technology is already established in other industries (e.g., pharma, automotive), please describe how you are adapting it for the food sector.
- **Regulatory Pathway:** Please describe the current regulatory status of your solution.
 - For Equipment/Software: Confirm alignment with standard food safety compliance.
 - For Ingredients/Packaging: Given the requirement for solutions to be safe for consumption under Canadian regulations, please detail your status or roadmap for Health Canada approval, specifically if you are proposing a novel ingredient or edible packaging material.

Section 4. Budget and Workplan

Use the open buttons to populate each table in a separate window. Complete the budget prior to completing Forecast by Quarter and Sources of Funds. Any changes made to the budget after completing these subsequent tables will require them to be cleared and re-completed. Press Save and Save Draft often. The completed tables will populate in the lower portion of the tab.

Budget

Your budget needs to be detailed enough for assessment. For direct labour resources, outline the job title and number of hours on the project. For consultants, outline the vendor's name if available, and the scope of work (i.e. Testing Services, Outsourced Engineering, etc.).

- Refer to [Appendix C - Guidelines for Eligible and Ineligible Costs](#) to determine which cost categories your project costs will fit under. You can add rows if you need to add more costs. The costs must be outlined based on the Fiscal Year in which they are incurred.
- Based on your costs inputted into the budget, the spreadsheet will calculate the Total Eligible Costs, Total Project Costs Eligible for CFIN funding and the Total Costs to be financed by Lead Applicant, Partners & Other Government Funds.

Forecast by Quarter

- Complete the Forecast by Quarter to forecast the amount of CFIN reimbursement funding that you will be requesting in a fiscal quarter (based on the government fiscal year from April 1 - March 31). This will be based on the invoice date for the expenses incurred.

Sources of Funds

- The purpose of this spreadsheet is to provide a further breakdown about the sources of funding from the Lead Applicant and Partners, along with any sources of government funds that will be used (60%);
- The Business/Organization Name will populate from the Project Profile tab;
- Indicate with a Y/N if the funding partners are a Small or Medium Enterprise (SME), a business with 499 or fewer employees and less than \$50 million in gross revenues;
- Indicate with a Y/N if any of the project partners are affiliated to each other, as defined in the Program Guide;
- Outline the industry cash coming directly from the Lead Applicant and Partner(s);
- If the cash contribution from the Lead Applicant or Partner(s) is sourced from other municipal, provincial or federal Government funding programs, outline the total funds, the Government/Program Name and the Government Level; and,
- Indicate with a Y/N if your Industry Cash Contribution is sourced from outside Canada (i.e. any of the Lead Applicant or Partner cash is directly from an international source).

Work Plan



- Complete a detailed project work plan with activities, milestones, timelines. **A minimum of 4 activities are required.**
- Select the appropriate fiscal year associated with the activity start date from the drop-down menu;
- Activity Description should outline the planned activities in chronological order and include any project milestones;
- Expected Outcomes are the benefits or results that will occur during the project and their achievement is a measure of success. These might include items such as new products, practices, processes, and systems that are developed:
 - New products are goods and services that differ significantly in their characteristics or intended uses from products previously produced and used. Examples could include equipment, software, novel foods or consumer goods;
 - New practices are new techniques or methods that can be applied
 - New processes are the set of operations performed by equipment in which variables are monitored or controlled to produce an output in labs or processing facilities; and,
 - New Systems are the set of detailed methods, procedures and routines created to carry out a specific activity, perform a duty, or solve a problem.
 - Select the appropriate TRL that represents the achievement of the Expected Outcomes. If no TRL is associated with the Expected Outcome then select “_”

Example:

Fiscal Year (FY)	Activity Description	Expected Outcomes	TRL Associated with the Outcome
FY One 2021-2022	Engage laboratory capable to undertake research and development for protein extraction	Principal Investigator is identified, masters student is engaged, timeline is secured.	-
FY One 2021-2022	Test the lab scale method to effectively isolate proteins from barley flour. January – March	Protocol is documented. Ready to test pilot plant protocol with industry partner.	TRL 5
FY Two 2021-2022	Hire engagement officer on short-term contract. April - June	New business partners are identified, samples ready to be tested in facilities.	TRL 6

Section 5. Application Files

Supporting Documentation: applicants can upload multiple documents in support of their project, such as letters of support, quotes, or other relevant information. **Applicants are encouraged to submit supporting documentation (presentations, photos, letters of support) to validate their submission responses.**



Financial Statements: The last two years of external accountant prepared financial statements for the Lead Applicant should be attached.

All applicants to CFIN programs must demonstrate their financial capacity to undertake the project. As a requirement, we request 2 years financials (audited, review engagement, or notice to reader) to be submitted with your application. If you can not meet this requirement, a term sheet, a bank statement, or other documentation demonstrating your financial position, and letter showing you have the balance of your request is the bare minimum.

Section 6. Terms & Conditions

The primary contact must agree to the terms and conditions to submit the application. The application will ask applicants to certify that:

- They have read, understand, and are willing to comply with CFIN's project requirements;
- Their service providers are independent of the applicant and have no conflict of interest in undertaking the project;
- The project will be carried out in Canada;
- The project is incremental and new;
- The project would not be undertaken to the same extent without CFIN funding;
- They are willing to invest in and complete the project within a one-year time frame; and,
- They have adequate financial means and project management capabilities to carry out the project.

If you have further questions or need assistance with your application submission, please reach out to the CFIN team at innovation@cfin-rcia.ca.

4.4 Final Funding Decisions

CFIN will aim to communicate funding results within 60 business days of the intake deadline. Applicants will be notified if the decision will be delayed.

Applicants approved for funding will be required to enter into a Master Project Agreement with CFIN within 30 business days from the date of receipt of the Master Project Agreement. The funding decision is finalized upon the signing of the Master Project Agreement agreeing to, without limitation: reporting requirements, timelines, IP strategy and other performance management criteria and compliance requirements.

Applicants who are not accepted for funding will be notified, with a summary of how their project proposal was evaluated outlining the reasons why they were not approved, as well as recommendations to strengthen their proposal. Projects may not be recommended for funding if they score low on the assessment criteria and/or there are insufficient funds available.

5. Funding Parameters



5.1 Cost Sharing

The total eligible project costs should be between \$20,000 and \$125,000, and the maximum level of matching funding from CFIN will be 60% of total eligible project costs (between \$12,000 and \$75,000).

Applicants must justify the amount of CFIN funding requested.

Costs incurred in the development of project applications will not be eligible for funding. CFIN will provide funding for projects by reimbursing approved applicants for a portion of their project expenses that are reasonable and eligible. For information about eligible expenses and costs, refer to [Appendix C – Guidelines for Eligible and Ineligible Costs](#).

5.2 Project Duration

The earliest start date for projects will be the Eligibility Date as outlined in the signed Master Project Agreement. The earliest start date is 60 days from the project intake close date. Project-related costs incurred prior to that date will not be considered eligible project costs. Projects must be completed in accordance with the Master Project Agreement and no later than one year from the start date.

6. Project Monitoring and Reporting

Approved projects will have quarterly reporting requirements as well as a final report at project completion. Reporting is in place to ensure that project participants are fulfilling their obligations, and track progress of the project against financial and performance metrics. CFIN will track performance of applicants according to the key performance indicators as specified in the Master Project Agreement.

The Applicant will be responsible for monitoring and reporting on the progress of the project in line with information requests and performance metrics agreed with CFIN. Failure to complete the required reporting, as outlined in the CFIN Master Project Agreement, will impact timely reimbursement of eligible project costs.

The Applicant will also be responsible for approving requests for reimbursement of eligible project expenses and submitting them to CFIN. Financial reporting will be completed through CFIN's secure online portal. The Applicant will be required to maintain accurate accounts of the project for at least seven (7) years after its termination and comply with the financial reporting and auditing requirements, as outlined in the CFIN Master Project Agreement.

At the conclusion of the project and on receipt of final reports, the project may be profiled in CFIN communications. Where possible, the purpose of this is to share knowledge, learning and results gained to serve as a catalyst to other businesses and innovators across Canada's food ecosystem. There may also be opportunities to communicate the project, its progress and collaborative efforts throughout the duration of the project activities.



Appendix A – CFIN General Requirements

Applicant Responsibilities

The responsibilities of the Applicant will include, but are not limited to:

- Ensuring compliance with the CFIN Master Project Agreement;
- Overseeing the performance of the project;
- Submitting requests for reimbursement of eligible project expenses and submitting them to CFIN; and,
- Monitoring and reporting on the progress of the project in line with information requests and performance metrics agreed with CFIN.

Project Applicant Requirements

To be considered for project funding, applicants must:

- Certify that the same project they are proposing is not already approved or in progress, and that financial commitments would not otherwise have been made to the project in its current form;
- Ensure that only eligible project costs defined under the CFIN guidelines are to be claimed for reimbursement (See [Appendix C – Guidelines for Eligible and Ineligible Costs](#));
- Agree to incur all expenses for which CFIN funding is sought no earlier than the date of the signing of the Master Project Agreement and no later than one year after that date, unless otherwise stated in the Master Project Agreement;
- Specify any other sources of government funding anticipated for their project;
- Agree to adhere to CFIN's conflict of interest policy (included in the Master Project Agreement); and,
- Agree that, if their project is selected, they will maintain auditable financial records substantiating their expense claims and provide CFIN with the information it requires to monitor and report on the progress of their project.



Appendix B - Technology Readiness Level (TRL) Scale

Technology Readiness Level	Description
TRL 1—Basic principles observed and reported	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.
TRL 2—Technology concept and/or application formulated	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions.
TRL 3—Analytical and experimental critical function and/or characteristic proof of concept	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
TRL 4—Product and/or process validation in laboratory environment	Basic technological products and/or processes are tested to establish that they will work.
TRL 5—Product and/or process validation in relevant environment	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
TRL 6—Product and/or process prototype demonstration in a relevant environment	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
TRL 7—Product and/or process prototype demonstration in an operational environment	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g. in a vehicle).
TRL 8—Actual product and/or process completed and qualified through test and demonstration	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
TRL 9—Actual product and/or process proven successful	Actual application of the product and/or process innovation in its final form or function.

(Source: <https://ised-isde.canada.ca/site/strategic-innovation-fund/en/collaborations-and-networks/strategic-innovation-fund-program-guide#annex-a>)



Appendix C – Guidelines for Eligible and Ineligible Costs

Eligible Cost Categories

Eligible project costs must fall under one of these Eligible Cost Categories:

- Direct Labour
- Subcontractors and Consultants
- Direct materials
- Equipment
- Other Direct Costs

Direct Labour
<p>The portion of gross wages or salaries incurred and paid by the applicant for direct technical labour on approved project activities which can be specifically identified and measured as having been performed for the project and which is so identified and measured consistently by the applicant's cost accounting system. The cost accounting system should sufficiently prove the hours worked by employees are directly related to the approved project activities.</p> <p>The wages of majority owners/stakeholders in the applicant's business are not eligible for reimbursement.</p>
Subcontractors and Consultants
<p>The costs of Subcontractors or Consultants incurred and paid for approved project activities are the costs for work or services performed by an external third party, which can be specifically identified and measured as having been incurred and paid for the approved project activities. The applicant cannot be a recipient of CFIN funding and a Subcontractor for the same project.</p>
Direct Materials
<p>The cost of materials which are incurred and paid and can be specifically identified and measured as having been processed, manufactured, and used in the performance of the approved project activities, which are measured consistently by the applicant's cost accounting system.</p> <ol style="list-style-type: none">i. Materials purchased solely for the approved project activities shall be at the net laid down cost to the applicant, net of any sale taxes and after any discounts offered by the suppliers.ii. Materials issued from the applicants' general stocks shall be measured in accordance with the material pricing method consistently used by the applicant. <p>Direct Materials include but are not limited to any raw material that is "used up" by completing approved project activities.</p>
Equipment
<p>The capital cost of Equipment, which are incurred and paid and can be specifically identified as having been purchased for approved project activities and measured consistently by the applicant's costing system. Significant Equipment required to complete the approved project</p>



activities should be detailed in the project work plan. See below scenarios for clarification of costs related to Equipment:

- i. If an applicant has built the equipment themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.);
- ii. If an applicant has equipment built by a third party, the costs would be allocated to the equipment category if readily identifiable, otherwise the equipment could be reported in Subcontractors category; and
- iii. If an applicant outright purchases a piece of equipment, the costs would be allocated to the Equipment category.

Equipment costs include but are not limited to, the purchase of equipment necessary for the approved project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs.

Other Direct Costs

These are eligible direct costs, not falling within the categories of Direct Costs mentioned above, but which are incurred and paid, and can be specifically identified and measured as having been incurred and paid by the applicant for approved project activities and which are so identified and measured consistently by the applicant's costing system. Shipping costs are an Other Direct Cost.

Travel and Outreach Costs meaning those eligible direct costs incurred and paid by the applicant that are directly related to approved project activities. Travel expenses shall be appropriate, economical, reasonable, and available to most of the employees of the applicant. Travel costs can be claimed, to the maximum allowance, as per the CFIN Travel Policy.

Eligible Project Costs include:

- Costs incurred and paid for by the Lead Applicant, which are necessary to carry out the approved project activities;
- Costs that are generally non-recurring and incremental to the ordinary business activities of the Lead Applicant;
- Costs that are reasonable, such that the nature and the amounts do not exceed what an ordinary prudent person would conduct in a similar business context;
- Costs that can be directly attributed to the completion of the approved project activities included in the Master Project Agreement; and,
- Costs that must be determined in accordance with the Lead Applicant's cost accounting practices as accepted by CFIN and applied consistently over time.

Ineligible Costs

Ineligible Costs incurred and paid by the applicant are not eligible for CFIN funding, regardless of whether they are reasonably and properly incurred and paid in the carrying out of the approved project activities.



Ineligible Costs includes:

- i. any form of interest paid or payable on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges; the interest portion of the lease cost that is attributable to cost of borrowing regardless of types of lease;
- ii. legal, accounting and consulting fees in connection with financial reorganization (including the set-up of new not-for-profit organizations), security issues, capital stock issues, obtaining of licenses, establishment and management of agreements with the applicant and prosecution of claims against CFIN or ISED. Such legal costs associated with obtaining patents or other statutory protection for project intellectual property are considered eligible;
- iii. losses on investments, bad debts and expenses for collection charges;
- iv. losses on other projects or contracts;
- v. federal and provincial income taxes, goods and services taxes, value added taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes, except duty taxes paid for importing is Eligible Cost;
- vi. provisions for contingencies;
- vii. premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the applicant;
- viii. amortization of unrealized appreciation of assets;
- ix. depreciation of assets paid for by CFIN;
- x. fines and penalties;
- xi. expenses and depreciation of excess facilities;
- xii. unreasonable compensation for officers and employees;
- xiii. product development or improvement expenses not associated with the work being performed under the project;
- xiv. advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;
- xv. entertainment expenses (including but not limited to, catering, alcohol, non-travel expenses);
- xvi. donations;
- xvii. dues and other memberships other than regular trade and professional associations;
- xviii. extraordinary or abnormal fees for professional advice in regard to technical, administrative or accounting matters, unless approval from CFIN is obtained;
- xix. selling and marketing expenses associated with the products or services or both being developed under the Master Project Agreement;
- xx. in-kind costs; and,
- xxi. recruiting fees.

