

PROJECT GRANTS PROGRAM



Guide for presenting
an awareness, education
or research project

Fonds pour l'éducation
et la saine gouvernance
Encourager le savoir!

 **AUTORITÉ
DES MARCHÉS
FINANCIERS**

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Introduction

Created in 2008 by *An Act to amend the Act respecting the Autorité des marchés financiers and other legislative provisions*, the Education and Good Governance Fund (EGGF) provides financial support for awareness, education and research projects that tie into the mission of the *Autorité des marchés financiers* (AMF), as well as for students registered in a master's or doctoral program through an Excellence scholarship program.

More specifically, the research projects are aimed at improving knowledge, particularly in the fields of securities, derivatives, insurance and the distribution of financial products and services. The education projects are aimed at developing the knowledge, skills or abilities of consumers of financial products and services, and the awareness projects are, among other things, campaigns aimed at the general public.

Through its financial support, the EGGF promotes the launch of innovative initiatives that will have a measurable impact and encourages students to continue their studies so that they may become future contributors to the development of Québec's financial sector.

The EGGF's funding comes from fines, sanctions or administrative penalties collected by the AMF. The Fund also receives the interest and investment income earned on its assets, sums collected under paragraph 7 of section 115.9 of the *Act respecting the distribution of financial products and services*, paragraph 7 of section 127 of the *Derivatives Act* or paragraph 9 of section 262.1 of the *Securities Act*, and any contributions that the AMF may receive for the Fund.

Prepared in accordance with the AMF's mission, this guide explains the eligibility criteria, the assessment criteria, instructions for submitting a grant application, and the decision-making process.

The AMF administers and applies this guide and will have the final say on all questions of interpretation thereof. The AMF reserves the right to modify this guide if necessary, without notice.

Support services for applicant organizations: submitting a project summary sheet

The AMF offers support services to applicant organizations to help them through the grant application process, and to tell them whether their project is eligible.

To obtain such services, prior to filing an official application, applicants must describe the basic parameters of their project using the summary sheet which is available on the AMF website and send it to: fesg@lautorite.qc.ca. Note that any information sent as part of this support service must not be construed as confirmation of acceptance of the applicant organization's project. Using these support services is not required, but it is strongly recommended.

Project grant application assessment process

The projects submitted to the EGGF by applicant organizations are analyzed in two steps. First, they are analyzed by experts at the AMF, and then by an assessment committee composed of five independent members from outside the AMF who are appointed by the *Conseil consultatif de régie administrative* (CCRA) (Advisory Board). The members of this committee are governed by a code of ethics and professional conduct.

The AMF experts analyze the projects submitted and prepare comments, in particular regarding the relevance and interest of the projects in relation to the AMF's mission. The AMF's experts' comments are forwarded to the members of the assessment committee for their consideration.

Next, the members of the assessment committee evaluate the projects one by one, using the assessment criteria shown on pages 7 and 8 of this guide. The results of the various assessments are grouped together and are discussed during a work session held for the purpose of deciding on the recommendations, for or against, that will be given to the President and CEO.

During the analysis process, the AMF reserves the right to solicit references from any institution, organization or establishment that may be related to the applicant organization or to the project itself.

The President and CEO decides whether or not to give financial support to each applicant organization, based on the recommendations of the assessment committee and on the comments made by the AMF's experts. A report is filed with the CCRA, and the applicant organization is informed in writing of the President and CEO's decision.

Throughout this decision-making process, the AMF reserves the right to give priority to projects that pertain to topics or areas that it considers to be of special interest in relation to its mission. Those topics or areas of special interest are made public on the AMF website, in the EGGF section, as applicable.

Application process and project tracking

| | |
|---|---|
| <p>Deadline for submitting project summary sheets (support services not required, but recommended)</p> | <p>First call: February 15, feedback from the AMF no later than March 15*</p> <p>Second call: August 15, feedback from the AMF no later than September 15*</p> <p>*or the first Monday after that date.</p> |
| <p>Deadline for the final filing of grant applications</p> | <p>First call: April 15</p> <p>Second call: October 15</p> |
| <p>Replies sent to applicant organizations, informing them whether or not their projects have been selected</p> | <p>First call: towards the end of September</p> <p>Second call: towards the end of February</p> |
| <p>Project tracking</p> | <p>According to the terms of the agreement, the AMF monitors the progress of activities, the use of the funds, and the production of deliverables.</p> <p>It may also require that progress reports be filed prior to the disbursement of any instalment payments, before the final disbursement.</p> <p>Prior to the final disbursement and the conclusion of the agreement, the AMF must approve the final reports (activity and financial reports, or any other report or document called for by the agreement).</p> |
| <p>Audit</p> | <p>Audit of selected projects by the Internal Auditor and the Auditor General of Québec</p> |

Processing times depend on the complexity of the projects submitted and the number of applications received. However, as far as possible, the AMF issues an answer within five months of the grant application deadline.

Submitting an application

All applications must be submitted in writing, along with a cover letter, exclusively via e-mail to fesg@lautorite.qc.ca.

The application must include two documents:

1. A PDF file including in the following order:
 - a. The signed cover letter
 - b. The completed and signed form
 - c. Schedules A to F, inclusively
 - d. CVs
 - e. Letters of support
 - f. All other pertinent information

2. A 1-page Word project summary (in French) including in the following order:
 - a. A detailed description
 - b. The objectives
 - c. The deliverables
 - d. The completion timetable
 - e. The budget

Applications may be submitted at any time.

Only applications that are submitted in the required format, and for which the files include all the required documents, shall move forward to the assessment process.

Eligibility criteria for the applicant organization

There are eligibility criteria both for the applicant organization, and for the content of its project.

Applicants must comply, without exception, with all the eligibility criteria governing their organization and their project, otherwise their application will automatically be rejected. Applicants may ask questions at fesg@lautorite.qc.ca prior to the deadline for submitting applications.

At the time of submitting the application, the organization must have been legally constituted and have had a place of business in Québec for at least a year. The applicant organization must be a private company, an educational institution or a research chair, a foundation, a professional order, a cooperative, an association, a coalition consisting of several such organizations, or a non-profit organization.

The applicant organization must not be a government department or agency, either federal or provincial, a municipality or a municipal agency, an enterprise or an individual authorized to practise by the AMF, an organization affiliated with an enterprise authorized to practise by the AMF, or an enterprise sanctioned by the AMF.

The applicant organization must not have any regulatory powers delegated by a federal or provincial government.

Eligibility criteria for the project

- The form, and schedules A to F inclusively, have been completed.
- The project promotes the development or the transmission of knowledge or skills in areas that are linked to the mission of the AMF.
- Projects that include a financial education component comply with the directions of the [Québec Financial Education Strategy](#).
- The project will be carried out mainly in Québec.
- The amount of funding requested is less than, or equal to, the EGGF's maximum annual contribution limit per project category, i.e.:
 - Research: \$100,000 per year
 - Education/awareness*: \$200,000 per year
- The project complies with the maximum period of funding per project category, i.e.:
 - Research: three years
 - Education/awareness*: two years
- The project **is not entirely** funded by other partners.
- Job creation for the applicant organization **is not the main goal** of the project.
- The generation of profits for the applicant organization **is not the main goal** of the project.
- The goal of the project **is not** to raise funds for a fund or a chair.
- The project **is not intended solely** to collect information.
- If applicable, before submitting a new project, the applicant organization must demonstrate the repercussions of the previous project.

*These criteria may be reconsidered for awareness projects submitted in partnership with the AMF.

Assessment criteria

The members of the assessment committee will evaluate projects based on the following criteria:

| Assessment criteria | Points |
|--|--------|
| Relevance and interest - 30 points The project is relevant, and of interest to, the AMF and the Québec financial sector. | |
| <ul style="list-style-type: none"> • The project addresses the concerns/needs/issues of Québec's financial sector and contributes to its vitality and visibility. • The project targets one or several documented needs in financial education found amongst Quebecers. • The project targets one or several documented issues in corporate governance. • The project is of current interest, or will be so in the near future. • The project proposes an innovative model in its approach or in its answer to a defined problem. | /30 |
| Feasibility of the project - 35 points The project is feasible in terms of its methodology, deliverables, schedule and budget. | |
| Methodology (research component only) <ul style="list-style-type: none"> • The issue is clearly defined. • The conceptual framework is well explained. • The sampling plan is relevant and compliant. • The analysis plan and tests used are relevant. • The deliverables, progress reports and final reports are clearly specified. Work plan (education/awareness component only) <ul style="list-style-type: none"> • The needs analysis is well documented and realistic. • The clientele is clearly targeted. • The proposed tools are appropriate to the needs identified and the target clientele. • The dissemination plan is appropriate and realistic. • The assessment tools are appropriate and realistic. • The various phases of the project are well defined and logically organized. | /20 |
| Schedule <ul style="list-style-type: none"> • The schedule includes all phases of the project. • The schedule is realistic. | /5 |

| Assessment criteria | Points |
|---|--------|
| <p>Project funding</p> <ul style="list-style-type: none"> • The total amount requested of the EGGF is realistic and reasonable in relation to the project deliverables and schedule. • The budget items and amounts allocated to those items are eligible, realistic and reasonable. • The project enjoys a diversified funding structure, or the support of several partners, in order to reduce the total amount requested of the EGGF and to promote its sustainability. | /10 |
| Expertise of the applicant organization and the project team – 15 points | |
| <p>The applicant organization and the project team possess the credibility, skills, expertise and experience required to fully complete the project.</p> | /15 |
| Project benefits – 20 points | |
| <p>The project will provide the AMF and the EGGF with benefits and visibility in proportion to the scope of the projects and the amount of funding granted.</p> <p>Research projects only :</p> <ul style="list-style-type: none"> • Impact on the scientific community, the financial sector or regulators including the AMF. • List of potential publications. • Provisional list of symposia and conferences in which project members will participate. <p>Education/awareness projects only :</p> <ul style="list-style-type: none"> • Number of workshops or individuals reached. • Impact on the target clientele. • Planned assessment tools. • Regional or national reach. | /20 |

Project grants

Through the EGGF, the AMF offers financial support to applicant organizations whose projects are chosen. The funds must be used specifically within the framework of the project that was submitted.

Apart from the initial disbursement, funding is granted, provided the AMF is satisfied with the periodic reviews of a project's progress in relation to its goals and objectives.

The EGGF holds back about 50% of the total commitment, which is paid once the final activity reports, detailed financial statements and deliverables have been submitted, analyzed and approved in accordance with the terms of the partnership agreement.

Eligible project costs

- Direct salaries and benefits of employees assigned to projects;
- Direct costs of materials, supplies, documents or the purchase of data directly related to the project (e.g. photocopies, communications, mailings, rental of equipment);
- Certain direct costs (excluding ineligible costs set out below) related to participation in or organization of an event (e.g. room rental, logistics, meals for participants, advertising, promotional materials, fees and travel for conference speakers);
- Certain project-related travel and accommodation costs;
- Certain costs associated with project publicity and promotion (e.g. printing, translation and advertising).

These costs must be identified, spelled out in detail and presented for the project analysis process.

The AMF will carry out a budget analysis of each project, and reserves the right to decide on the appropriateness of these costs and charges.

Ineligible project costs

- Costs related to the day-to-day activities of applicant organizations, in particular those related to the use of the organization's usual premises;
- General administrative expenses that are not directly related to a project;
- The purchase of fixed assets (e.g. computer equipment or related hardware, real estate, office furniture, vehicles);
- The development or testing of products intended for marketing (e.g. training programs, software, publications);
- Improvements to capital assets (e.g. refurbishing, construction or renovation of buildings or premises);
- Expenses leading to double compensation;
- If an applicant is eligible for a GST and/or QST refund, the amount of such refund is excluded from the eligible costs;
- Any other cost that the AMF may deem to be ineligible.

Partnership agreement with the AMF

Successful applicants must sign a partnership agreement with the AMF and shall be referred to as “partners.” Said agreement covers the responsibilities and duties of the parties with respect to the grant.

It includes the following provisions:

- Purpose and amount of the grant;
- Payment terms and conditions;
- Conditions of use;
- Expected outcome of the project and the disclosure thereof;
- Accountability requirements;
- Grant recipient's obligations with respect to communicating information about the project to the public;
- Grant recipient's obligations with respect to filing progress reports and a final report together with the accompanying financial statements (final reports);
- Grant recipient's obligations with respect to submitting deliverables: research reports, publications, and training and promotional tools;
- Any other requirement concerning the granting of financial support.

With respect to projects, partners retain full ownership of the intellectual property rights over their work, but grant the AMF a non-exclusive, transferable and irrevocable licence to reproduce, publish, communicate to the public and translate the project deliverables for training, meeting, discussion, workshop and all other purposes required to allow the AMF to fulfill its legal obligations.

No later than the date specified in the agreement, the partner shall send to the AMF the final version of its research report, publications and training and promotion tools. These publications shall contain a note to the effect that the project was carried out thanks to financial support from the Education and Good Governance Fund of the *Autorité des marchés financiers*, and that the partner bears full responsibility for the information contained therein. The AMF reserves the right to publicize said documents.

Project tracking

The AMF follows up with each grant recipient to ensure that the project is carried out as planned and that all the provisions of the partnership agreement are complied with.

On the date specified in the agreement, the partner shall present for approval, at least once annually, an activity report, financial statements providing details of the use of funds during the period in question, as well as research reports, publications and training and promotion tools developed under the agreement.

These reports are approved by the AMF and shall indicate the progress achieved in the project. They must include:

- Project results;
- Detailed financial statements, along with supporting documents for the expenses;
- An explanation of deviations from the costs planned in the initial budget
- A description of the objectives, whether they have been met or not;
- The impacts of the project;
- The promotional activities carried out and the visibility afforded to the AMF;
- Any other relevant information.

Supporting documents for the expenses shall be attached to the financial statements. The AMF reserves the right to refuse to reimburse expenses incurred for initiatives that were not mentioned in the application that it had approved.

The partner is responsible for the entire project; it must not imply that the AMF approves or supervises the content thereof. The AMF acts primarily as a financial partner for the project. The partner bears full responsibility for the project's execution.

Project audits

A compliance audit by the AMF may be required under the partnership agreement. Grant recipient organizations may be asked to send the AMF a progress report at scheduled audit stages for the purpose of validating compliance with the obligations set out in the agreement.

AMF representatives may conduct visits and telephone interviews or ask for additional information, as necessary. Moreover, the AMF may require documents at any time to support requests for grant payments or certain expenditures.

Lastly, grant recipients must keep specific accounting records for projects supported by the EGGF. For educational institutions, the financial report can be the one issued by the institution's finance department. The AMF reserves the right to require audited financial statements and an independent report expressing an opinion on particular aspects. The partner shall retain all documents relating to the project for six years.

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