



## Grant Opportunity Guidelines

# Catalysing the Artificial Intelligence Opportunity in Our Regions – Round 1

<b>Opening date:</b>	Monday, 10 January 2022
<b>Closing date and time:</b>	Australian Eastern Daylight Time on 5:00pm on, Monday, 21 February 2022  Please take account of time zone differences when submitting your application.
<b>Commonwealth policy entity:</b>	Department of Industry, Science, Energy and Resources
<b>Administering entity:</b>	Department of Industry, Science, Energy and Resources
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46.
<b>Date guidelines released:</b>	Tuesday, 21 December 2021
<b>Type of grant opportunity:</b>	Open competitive

# Contents

<b>1. Catalysing the Artificial Intelligence Opportunity in Our Regions processes</b>	<b>4</b>
<b>2. About the grant program</b>	<b>5</b>
2.1. About the Catalysing the Artificial Intelligence Opportunity in Our Regions grant opportunity	5
<b>3. Grant amount and grant period</b>	<b>6</b>
3.1. Grants available	6
3.2. Project period	6
<b>4. Eligibility criteria</b>	<b>6</b>
4.1. Who is eligible as a lead applicant?	7
4.2. Who is not eligible as a lead applicant?	7
4.3. Who is eligible as a project partner?	7
4.4. Who is eligible as a regional participant?	7
4.5. Additional eligibility requirements	8
<b>5. What the grant money can be used for</b>	<b>8</b>
5.1. Eligible activities	8
5.2. Ineligible activities:	9
5.3. Eligible expenditure	9
<b>6. The assessment criteria</b>	<b>10</b>
6.1. Assessment criterion 1	10
6.2. Assessment criterion 2	11
6.3. Assessment criterion 3	11
6.4. Assessment criterion 4	11
<b>7. How to apply</b>	<b>12</b>
7.1. Attachments to the application	12
7.2. Joint applications	12
7.3. Timing of grant opportunity	13
<b>8. The grant selection process</b>	<b>13</b>
8.1. Who will approve grants?	14
<b>9. Notification of application outcomes</b>	<b>14</b>
<b>10. Successful grant applications</b>	<b>15</b>
10.1. Grant agreement	15
10.2. Standard grant agreement	15
10.3. Project specific legislation, policies and industry standards	15
10.4. How we pay the grant	16
10.5. Tax obligations	16
<b>11. Announcement of grants</b>	<b>16</b>
<b>12. How we monitor your grant activity</b>	<b>17</b>
12.1. Keeping us informed	17

12.2.	Reporting .....	17
12.2.1.	Progress reports .....	17
12.2.2.	End of project report.....	17
12.2.3.	Ad-hoc reports .....	18
12.3.	Independent audits.....	18
12.4.	Compliance visits .....	18
12.5.	Grant agreement variations .....	18
12.6.	Evaluation .....	19
12.7.	Grant acknowledgement.....	19
<b>13.</b>	<b>Probity.....</b>	<b>19</b>
13.1.	Conflicts of interest.....	19
13.2.	How we use your information.....	20
13.2.1.	How we handle your confidential information.....	20
13.2.2.	When we may disclose confidential information.....	20
13.2.3.	How we use your personal information .....	20
13.2.4.	Freedom of information .....	21
13.3.	National security.....	21
13.4.	Disclosure of Commonwealth, State or Territory financial penalties.....	22
13.5.	Enquiries and feedback.....	22
<b>14.</b>	<b>Glossary .....</b>	<b>23</b>
<b>Appendix A.</b>	<b>Eligible expenditure .....</b>	<b>26</b>
A.1	How we verify eligible expenditure.....	26
A.2	Labour expenditure .....	26
A.3	Labour on-costs and administrative overhead.....	27
A.4	Contract expenditure .....	27
A.5	Travel expenditure.....	28
A.6	Other eligible expenditure.....	28
<b>Appendix B.</b>	<b>Ineligible expenditure.....</b>	<b>29</b>

# 1. Catalysing the Artificial Intelligence Opportunity in Our Regions processes

## **Catalysing the Artificial Intelligence Opportunity in Our Regions is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program which contributes to the Department of Industry, Science, Energy and Resources' (the Department) Outcome 1. The Department works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines](#).



## **The grant opportunity opens**

We publish the grant guidelines on business.gov.au and GrantConnect.



## **You complete and submit a grant application**

You complete the application form, addressing all the eligibility and assessment criteria in order for your application to be considered.



## **We assess all grant applications**

We review the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



## **We make grant recommendations**

We provide advice to the decision maker on the merits of each application.



## **Grant decisions are made**

The decision maker decides which applications are successful.



## **We notify you of the outcome**

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.



## **We enter into a grant agreement**

We will enter into a grant agreement with successful applicants. The type of grant agreement is based on the nature of the grant and proportional to the risks involved.



## **Delivery of grant**

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



## **Evaluation of Catalysing the Artificial Intelligence Opportunity in Our Regions**

We evaluate the specific grant activity and program as a whole. We base this on information you provide to us and that we collect from various sources.

## 2. About the grant program

The Australian Government's [Artificial Intelligence Action Plan](#)<sup>1</sup> (the Action Plan) sets out a vision for Australia to be a global leader in developing and adopting trusted, secure and responsible artificial intelligence (AI). The Action Plan forms part of the [Digital Economy Strategy](#)<sup>2</sup> to lift Australia's digital capability by fostering digital transformation and encouraging businesses to invest and accelerate their adoption of digital technologies.

The **Catalysing the Artificial Intelligence Opportunity in Our Regions** program (the program) aims to fund collaborative projects which support regional industries, businesses and communities to realise the benefits from the development, adoption and use of artificial intelligence (AI) technologies.

The program will fund three competitive grant rounds, across 2021-22 to 2024-25. Grants will be awarded to joint partnerships, which must include a lead applicant and project partner(s). To support partnerships with regional organisations, all applications for the program must identify a regional participant, either as the lead applicant or as a project partner (refer to 4.4 Eligibility Criteria).

Applicants to the program must contribute 50 per cent of the total project expenditure in cash contributions from their own resources. Applicants may also provide in-kind contributions, which will be looked on favourably during assessment.

The objectives of the program are to:

- support the development, implementation and demonstration of real-world applications of artificial intelligence technologies that address challenges in regional area(s) in Australia
- increase the awareness and understanding of real-world artificial intelligence applications, opportunities, benefits and risks in regional area(s)
- develop new partnerships between regional industries, businesses and communities with the Australian technology sector.

The intended outcomes of the program are:

- increased adoption, development and use of artificial intelligence technologies in regional area(s) to lift the competitiveness, productivity and sustainability of industry and business
- greater trust, inclusion and awareness of artificial intelligence technologies and their applications in regional area(s)
- to bring forward the potential economic, productivity, social and environmental benefits of artificial intelligence in regional Australian economies and communities, supporting job creation.

There will be other grant opportunities as part of this program and we will publish the opening and closing dates and any other relevant information on [business.gov.au](#) and [GrantConnect](#).

### 2.1. About the Catalysing the Artificial Intelligence Opportunity in Our Regions grant opportunity

These guidelines contain information about the Catalysing the Artificial Intelligence Opportunity in Our Regions grants.

---

<sup>1</sup> <https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-action-plan>

<sup>2</sup> <https://digitaleconomy.pmc.gov.au/>

This document sets out:

- the eligibility and assessment criteria
- how we consider and assess grant applications
- how we notify applicants and enter into grant agreements with grantees
- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the opportunity.

The Department of Industry, Science, Energy and Resources (the department) is responsible for administering this grant opportunity. We administer the program according to the [Commonwealth Grants Rules and Guidelines](#) (CGRGs)<sup>3</sup>.

We have defined key terms used in these guidelines in the glossary at Section 14.

You should read this document carefully before you fill out an application.

### 3. Grant amount and grant period

For this grant opportunity, up to \$3 million is available over 2021-22 to 2023-24.

#### 3.1. Grants available

The grant amount will be up to 50 per cent of eligible project expenditure (grant percentage).

- The minimum grant amount is \$250,000
- The maximum grant amount is \$500,000.

You are responsible for the remaining eligible project expenditure plus any ineligible expenditure.

Your contribution must be cash. Additional in-kind contributions will be considered favourably in assessment, refer to Section 6.

You cannot use funding from other Commonwealth grants to fund the balance of project expenditure not covered by the grant.

#### 3.2. Project period

You must complete your project by 31 March 2024.

### 4. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria.

Joint applications are required for this program. Each application must include:

- a **lead applicant**, who is the main driver of the project
- at least one other **project partner**, and
- at least one of the lead applicant or project partner(s) must be a considered a **regional participant**, refer to Section 4.4

For further information on joint applications, refer to Section 7.2.

---

<sup>3</sup> <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

#### 4.1. Who is eligible as a lead applicant?

To be eligible as a **lead applicant** you must:

- have an Australian Business Number (ABN)

and be one of the following entities:

- an entity incorporated in Australia and a trading corporation, where your trading activities:
  - form a sufficiently significant proportion of the corporation's overall activities as to merit it being described as a trading corporation; or
  - are a substantial and not merely peripheral activity of the corporation.

and independently of the program, engage in, or intend to engage in, either or both of the following activities:

- activities to build artificial intelligence capabilities for businesses and communities; and
- activities to develop businesses and communities in regional areas.

If your application is successful, as the lead applicant you will be responsible for managing the project on behalf of your project partners.

#### 4.2. Who is not eligible as a lead applicant?

You are not eligible as a **lead applicant** if:

- you are not an entity incorporated in Australia and a trading corporation

This includes if you are one of the following entities:

- an individual
- partnership
- unincorporated association
- any organisation not included in section 4.1
- trust (however, an incorporated trustee may apply on behalf of a trust)
- a Commonwealth, State, Territory or local government body (including government business enterprises)
- a non-corporate Commonwealth entity

However, these organisations can be project partners, refer to section 4.3.

#### 4.3. Who is eligible as a project partner?

Your joint application must include at least one other project partner, aside from the lead applicant.

To be eligible as a **project partner** you must:

- make a cash and/or in-kind contribution towards the project
- contribute towards the success of the project
- provide a letter of support on the template provided [business.gov.au](https://business.gov.au)

#### 4.4. Who is eligible as a regional participant?

The Catalysing the Artificial Intelligence Opportunity in Our Regions program seeks to form partnerships between regional industries, businesses and communities with the Australian technology sector.

Your application must include at least one eligible regional participant. The regional participant can be either the lead applicant or a project partner.

To be eligible as a **regional participant** you must:

- be located in a regional area<sup>4</sup>
- make a cash and/or in-kind contribution towards the project
- contribute towards the success of the project
- provide a letter of support on the template provided business.gov.au.

#### 4.5. Additional eligibility requirements

You are not eligible to apply if you, or any of your project partners, are:

- an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' ([www.nationalredress.gov.au](http://www.nationalredress.gov.au))
- an employer of 100 or more employees that has **not complied** with the *Workplace Gender Equality Act (2012)*.

We can only accept applications:

- where you can certify that the project is supported from your board (or chief executive officer or equivalent), and that you can complete the project and meet the costs of the project not covered by the grant funding
- where you provide a letter of support from each of the project partners on the template provided
- where you include all mandatory attachments as outlined in Section 7.1

We cannot waive the eligibility criteria under any circumstances.

## 5. What the grant money can be used for

### 5.1. Eligible activities

To be eligible your project must:

- clearly address one or more of the program's objectives and/or outcomes, refer to Section 2
- include eligible activities
- have at least \$500,000 in eligible expenditure.

Eligible activities may include:

- developing, implementing and demonstrating novel or innovative<sup>5</sup> solutions and/or applications of artificial intelligence that address a regional challenge or opportunity
- providing opportunities for regional businesses, communities and individuals to test and experiment with tangible artificial intelligence technologies and applications

---

<sup>4</sup> For the purposes of this grant opportunity, a 'regional area' is any location that is outside the Urban Centre and Locality (UCL) cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth, Adelaide). Regional areas do not include the Australian Capital Territory. Regional areas include Hobart and Darwin. Refer to Section 14.

<sup>5</sup> The Catalysing the Artificial Intelligence Opportunity in Our Regions program seeks to bring forward the potential economic, productivity, social and environmental benefits of artificial intelligence in regional Australian economies and communities, supporting job creation and increased investment in technology.

Solutions and applications which are '*novel or innovative*' should be new or a significant improvement. This could include being new-to-market, or a significant improvement in the technical specifications, user friendliness, techniques, equipment, software or other functional characteristics.



- pilot or trial projects that make use of artificial intelligence technologies that increase the competitiveness, productivity and sustainability of regional industries and/or businesses
- increasing the awareness, understanding, trust and inclusion of artificial intelligence within a region
- facilitating new and lasting partnerships between regional industries, businesses and communities with artificial intelligence developers and researchers.

We may also approve other activities.

## 5.2. Ineligible activities:

Ineligible activities include:

- activities that do not demonstrate spill-over benefits<sup>6</sup> or impact beyond the project partners
- training or skills building programs that do not include an applied or pilot solution
- research to identify barriers and/or perceptions of artificial intelligence in regional area(s) that does not include an applied or pilot solution

## 5.3. Eligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your grant agreement.

- For guidance on eligible expenditure, see appendix A.
- For guidance on ineligible expenditure, see appendix B.

We may update the guidance on eligible and ineligible expenditure from time to time. If your application is successful, the version in place when you submitted your application applies to your project.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is an AusIndustry manager within the department with responsibility for the program) makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

---

<sup>6</sup> Spill-over benefits are benefits realised not only by the direct partners of the project, but also those in close geographical proximity or in similar regional industries, sectors or communities. In preparing an application, applicants should consider how their project would, or could, result in potential benefits for other third parties (such as, solving a challenge that is common to a local industry, creating a new public dataset that others could use, or providing a new public good or service that a whole community can benefit from).

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.

You may elect to commence your project from the date we notify you that your application is eligible and complete. We are not responsible for any expenditure you incur until a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

## 6. The assessment criteria

You must address all assessment criteria in your application. We will assess your application based on the weighting given to each criterion.

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays size limits for answers.

We will only consider funding applications that score at least 50 per cent against each assessment criterion, as these represent best value for money.

### 6.1. Assessment criterion 1

#### **Project alignment with the program objectives and outcomes (30 points)**

You should demonstrate this by identifying:

- how your project will increase adoption and demonstration of real-world artificial intelligence technologies in regional area(s) and how these areas will benefit, including if the project aligns with regional strengths and/or growth opportunities
- the economic, productivity, social, environmental or other benefits of the project, including the nature of the regional challenge(s) being addressed and the region(s) and/or regional industries, businesses or communities that will benefit. Examples of these benefits may include but are not limited to:
  - transforming regional businesses to become more competitive
  - strengthening identified regional priorities, growth opportunities or industrial advantage
  - solving significant regional challenges
  - supporting job creation in regional industries, businesses and communities
- how your project will increase awareness of the benefits of artificial intelligence and their applications in regional area(s)
- how your project will develop new partnerships between regional industries, businesses and communities with the Australian technology sector.

## 6.2. Assessment criterion 2

### **The quality of your project (30 points)**

You should demonstrate this by identifying:

- how your project will use artificial intelligence and any other technologies, and why artificial intelligence is the right technology for your project
- the novel and/or innovative aspects of the project that are new or a significant improvement
- how your project partner(s) will contribute to the project, including any other relevant stakeholders who will be engaged through the course of the project
- the total investment your project will leverage, including any in-kind and other contributions and how these will help achieve the project's success (and how their dollar value has been calculated).

## 6.3. Assessment criterion 3

### **Capacity, capability and resources to deliver the project (30 points)**

You should demonstrate this by:

- providing a sound project plan to manage and monitor the project, which addresses governance, security and intellectual property rights arrangements, and identifies risks and mitigation strategies
- identifying your readiness to commence the project, including availability of key personnel, equipment, access to or the ability to access any necessary infrastructure, any required regulatory and other approvals
- identifying your access to, or a clear plan for how you will gain access to, relevant technologies, appropriate data, computational resources and/or infrastructure<sup>7</sup> needed to deliver the project and test technical feasibility.

## 6.4. Assessment criterion 4

### **The long-term impacts of your project (10 points)**

You should demonstrate this by identifying:

- the extent of the project's benefits and scale of impact(s) beyond the project partners and participants (this may include but is not limited to the numbers of businesses benefited, or jobs created)
- the broader or spill-over benefits<sup>8</sup> for the region(s) and/or other industries, businesses or communities in the long term
- your strategy to evaluate your project's success, including how these benefits will be measured and communicated.

---

<sup>7</sup> Infrastructure may include suitable telecommunications connectivity, or by demonstrating that the proposed project will be able to be delivered.

<sup>8</sup> Spill-over benefits are benefits realised not only by the direct partners of the project, but also those in close geographical proximity or in similar regional industries, sectors or communities. In preparing an application, applicants should consider how their project would, or could, result in potential benefits for other third parties (such as, solving a challenge that is common to a regional industry, creating a new public dataset that others could use, or providing a new public good or service that a whole community can benefit from).

If you are successful, you will need to develop an evaluation plan that will allow qualitative and quantitative measurements of the project's benefits and outcomes. You should explain what your project aims to achieve and your proposed evaluation methodology.

## 7. How to apply

Before applying you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#) published on [business.gov.au](#) and GrantConnect.

You can only submit an application during a funding round.

To apply, you must:

- complete the online [application form](#) via [business.gov.au](#)
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments

You should retain a copy of your application for your own records.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code Act 1995* (Cth). If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submission after the application closing time.

If you need further guidance around the application process, or if you are unable to submit an application online, [contact us](#) at [business.gov.au](#) or by calling 13 28 46.

### 7.1. Attachments to the application

You must provide the following documents with your application:

- project plan, including a project budget and arrangements for governance, intellectual property rights and the identification of risks and mitigation strategies
- evidence of support from the board, CEO or equivalent
- accountant declaration
- letter/s of support from each of your project partners
- trust deed (where applicable).

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

### 7.2. Joint applications

Each application must be a joint application with a lead organisation, who is the main driver of the project and is eligible to apply, at least one regional participant, and other project partners if desired.

Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and

include a letter of support from each of the project partners (template provided on [business.gov.au](https://business.gov.au)). Each letter of support should include:

- details of the project partner
- confirmation that the project is fully supported, that the project can be completed within the timeframe specified in section 3.2, and that the cost of the project not covered by grant funding can be met
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

### 7.3. Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We cannot accept late applications.

If you are successful, we expect you will be able to commence your project around May 2022.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	2 weeks
Approval of outcomes of selection process	2-3 weeks
Notification of outcomes of selection process and award of grant agreements	4-6 weeks
Earliest start date of project	May 2022
End date of grant commitment	31 March 2024

## 8. The grant selection process

We first review your application against the eligibility criteria. If eligible, we will then assess it against the assessment criteria. Only eligible applications will proceed to the assessment stage.

We consider your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications
- whether it provides value with relevant money.

When assessing whether the application represents value with relevant money, we will have regard to:

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought

- any national interest, financial, legal/regulatory, governance or other issue or risk that we identify during any due diligence process that we conduct in respect of the applicant. This includes its directors, officers, senior managers, key personnel, its related bodies corporate (as defined in the *Corporations Act*) or its application that could bring the Australian Government into disrepute if it were to fund the applicant. Such issues and risks include where we consider that funding the application under this grant opportunity is likely to directly conflict with Australian Government policy. Where possible<sup>9</sup>, we will provide you with an opportunity to comment on any material risks identified during this due diligence process prior to our determining the extent (if any) to which those issues or risks affect our assessment of the application and, if so, whether they are sufficient to warrant the exclusion of your application from the assessment process.

We refer your application to an independent committee with artificial intelligence expertise. The Committee may also seek additional advice from independent technical and/or regional development experts.

The committee will assess your application against the assessment criteria and compare it to other eligible applications in a funding round before providing advice on which projects to fund. The Minister will take this advice into account when deciding which grants to approve.

The geographic distribution of projects will also be a consideration in the committee's advice. The committee will be required to perform their duties in accordance with the CGRGs.

The Committee may seek additional information about you or your application. They may do this from within the Commonwealth, even if you do not nominate the sources as referees. The Committee may also consider information about you or your application that is available as a result of any due diligence process or through the normal course of business.

If the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

### 8.1. Who will approve grants?

The Minister decides which grants to approve taking into account the advice of the committee, the geographic distribution of projects and the availability of grant funds.

The Minister's decision is final in all matters, including:

- the grant approval
- the grant funding to be awarded
- any conditions attached to the offer of grant funding

We cannot review decisions about the merits of your application.

The Minister will not approve funding if there is insufficient program funds available across relevant financial years for the program.

## 9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we advise you of any specific conditions attached to the grant.

If you are unsuccessful, we will give you an opportunity to discuss the outcome with us. You can submit a new application for the same (or similar) project in any future funding rounds. You should

---

<sup>9</sup> Subject to national security and other considerations.

include new or more information to address the weaknesses that prevented your previous application from being successful for programs that allow new applications for the same project. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.

## 10. Successful grant applications

If you are successful, you will need to develop an evaluation plan for your project that considers qualitative and quantitative measurements of the benefits and outcomes. This will form part of the first milestone in your grant agreement.

### 10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We will use a Commonwealth standard grant agreement. The grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on [business.gov.au](#) and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. You may elect to commence your project from the date we notify you that your application is eligible and complete. We are not responsible for any expenditure you incur until a grant agreement is executed.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the Minister. We will identify these in the offer of grant funding.

If you enter an agreement under the program, you cannot receive other grants for the same activities from other Commonwealth granting programs.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

### 10.2. Standard grant agreement

We will use a standard grant agreement.

You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Minister.

### 10.3. Project specific legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

You will be required to comply with:

- State/Territory legislation in relation to working with children

You will need to take into consideration relevant Australian Government Principles, including:

- [Critical Technology Supply Chain Principles](#)<sup>10</sup>
- [Artificial Intelligence Ethics Principles](#)<sup>11</sup>

#### 10.4. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage)
- any in-kind contributions you will make
- any financial contribution provided by you or a third party.

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you must meet them yourself.

We will make payments according to an agreed schedule set out in the grant agreement. Payments are subject to satisfactory progress on the project.

#### 10.5. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities.<sup>12</sup>

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). We do not provide advice on tax.

## 11. Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

- name of your organisation and your project partners
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business and project location(s)
- your organisation's industry sector.

---

<sup>10</sup> <https://www.homeaffairs.gov.au/reports-and-publications/submissions-and-discussion-papers/critical-technology-supply-chain-principles>

<sup>11</sup> <https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-ethics-framework/australias-ai-ethics-principles>

<sup>12</sup> See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au



## 12. How we monitor your grant activity

### 12.1. Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement you must contact us immediately.

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

### 12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project milestones
- project expenditure, including expenditure of grant funds
- contributions of participants directly related to the project.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

#### 12.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- include evidence of expenditure where requested
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

#### 12.2.2. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- include a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- be submitted by the report due date.

### 12.2.3. Ad-hoc reports

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

## 12.3. Independent audits

We may ask you to provide an independent audit report. An audit report will verify that you spent the grant in accordance with the grant agreement. The audit report requires you to prepare a statement of grant income and expenditure. The report template is available on [business.gov.au](https://business.gov.au) and GrantConnect.

## 12.4. Compliance visits

We may visit you during the project period, or at the completion of your project to review your compliance with the grant agreement. We may also inspect the records you are required to keep under the grant agreement. We will provide you with reasonable notice of any compliance visit.

## 12.5. Grant agreement variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a variation to your grant agreement, including:

- changing project milestones
- extending the timeframe for completing the project but within the maximum period
- changing project activities.

The program does not allow for:

- an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the project end date. We can provide you with a variation request template.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective, grant opportunity guidelines and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

## 12.6. Evaluation

We will evaluate the grant program to measure how well the outcomes and objectives have been achieved. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

We may contact you up to two years after you finish your project for more information to assist with this evaluation.

## 12.7. Grant acknowledgement

If you make a public statement about a project funded under the program, including in a brochure or publication, you must acknowledge the grant by using the following:

‘This project received grant funding from the Australian Government.’

If you erect signage in relation to the project, the signage must contain an acknowledgement of the grant.

## 13. Probity

We will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

### 13.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer or member of an external panel
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program/ grant opportunity.

As part of your application, we will ask you to declare any perceived or existing conflicts of interests or confirm that, to the best of your knowledge, there is no conflict of interest.

If you later identify an actual, apparent, or perceived conflict of interest, you must inform us in writing immediately.

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)](#)<sup>13</sup> of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

---

<sup>13</sup> <https://www.legislation.gov.au/Details/C2019C00057>

We publish our [conflict of interest policy](#)<sup>14</sup> on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

## 13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.2.1, or
- personal information as per 13.2.3,

we may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

### 13.2.1. How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- you clearly identify the information as confidential and explain why we should treat it as confidential
- the information is commercially sensitive
- disclosing the information would cause unreasonable harm to you or someone else
- you provide the information with an understanding that it will stay confidential.

### 13.2.2. When we may disclose confidential information

We may disclose confidential information:

- to the committee and our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or
- someone other than us has made the confidential information public.

### 13.2.3. How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Cth). This includes letting you know:

- what personal information we collect

---

<sup>14</sup> [https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf\\_files\\_redirect](https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect)

- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, the committee, and other Commonwealth employees and contractors, so we can:

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)<sup>15</sup> on the department's website for more information on:

- what is personal information
- how we collect, use, disclose and store your personal information
- how you can access and correct your personal information.

#### 13.2.4. Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

### 13.3. National security

Collaboration with foreign entities must be transparent, undertaken with full knowledge and consent, and in a manner, that avoids harm to Australia's national interests. It is your responsibility to consider the national security implications of the proposed project and identify and manage any risks, including risks relating to the unwanted transfer of sensitive knowledge technology.

You should ensure that you are informed about who you are collaborating with by undertaking appropriate due diligence, proportionate to the risk and subject to available information, of your global partners and their personnel participating in the project. This should take into account any potential security, ethical, legal and reputational risks, and, where necessary, you should be prepared to demonstrate how you will manage and mitigate any identified risks.

You and any entities participating in the project must disclose all foreign ownership (including foreign government ownership), affiliations with foreign governments, organisations, institutions or companies, or membership of foreign government talent programs. You must report any material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies.

---

<sup>15</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

#### 13.4. Disclosure of Commonwealth, State or Territory financial penalties

You must disclose whether any of your board members, management or persons of authority have been subject to any pecuniary penalty, whether civil, criminal or administrative, imposed by a Commonwealth, State, or Territory court or a Commonwealth, State, or Territory entity. If this is the case, you must provide advice to the department regarding the matter for consideration.

#### 13.5. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

Our [Customer Service Charter](#) is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

Head of Division  
AusIndustry  
Department of Industry, Science, Energy and Resources  
GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)<sup>16</sup> with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

---

<sup>16</sup> <http://www.ombudsman.gov.au/>

## 14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Artificial Intelligence (AI)	Is defined as in the Australian Government's <a href="#">Artificial Intelligence Action Plan</a> <sup>17</sup> :  <i>Artificial intelligence (AI) is a collection of interrelated technologies that can be used to solve problems autonomously and perform tasks to achieve defined objectives. In some cases, it can do this without explicit guidance from a human being. AI is more than just the mathematical algorithms that enable a computer to learn from text, images or sounds. It is the ability for a computational system to sense its environment, learn, predict and take independent action to control virtual or physical infrastructure.</i>
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Science, Energy and Resources.
Cash contributions	Money contributed by the lead applicant and/or project partners, which is not a loan, that is provided for the project and is immediately available for use on the project.
Committee	The body established to consider and assess eligible applications and provide advice to the Minister for funding under the program.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.3.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.

<sup>17</sup> <https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-action-plan>

Term	Definition
<a href="#">GrantConnect</a>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
In-kind contributions	<p>Non-cash resources contributed by a partner to conduct the project.</p> <p>Where you provide in-kind contributions, you must calculate the equivalent dollar value. You should use the retail or market price for any goods to be purchased.</p> <p>In-kind contributions can include labour contributions, facilities, equipment and services provided by project partners to the project.</p> <p>We will consider in-kind contributions in the assessment of applications, refer to Section 6.</p>
Lead applicant	The entity partner in an application that is responsible for managing the project on behalf of the collaboration and will enter into an agreement with the Commonwealth.
Minister	The Commonwealth Minister for Science and Technology.
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Program Delegate	An AusIndustry manager within the department with responsibility for the program.
Program funding or program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the program.



Term	Definition
Regional area	For the purposes of this program, a regional area is any location in Australia that is outside the Urban Centre and Locality (UCL) cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth, Adelaide). Regional areas do not include the Australian Capital Territory. Regional areas include Hobart and Darwin.
Regional partner	For the purposes of this grant opportunity, a 'regional area' is any location that is outside the Urban Centre and Locality cities with a population of over 1 million people as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard (Sydney, Melbourne, Brisbane, Perth, Adelaide). Regional areas do not include the Australian Capital Territory. Regional areas include Hobart and Darwin.
Trading activity	The activity of providing or intending to provide goods or services for payment.

## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the [business.gov.au](https://business.gov.au) website before preparing your application.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be incurred by you within the project period
- be a direct cost of the project
- be incurred by you to undertake required project audit activities
- meet the eligible expenditure guidelines.

### A.1 How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence such as quotes for major costs.

The grant agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure, and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you will be required to provide an independent financial audit of all eligible expenditure from the project.

### A.2 Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

### A.3 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

You cannot calculate labour costs by estimating the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

Evidence you will need to provide can include:

- details of all personnel working on the project, including name, title, function, time spent on the project and salary
- ATO payment summaries, pay slips and employment contracts.

### A.4 Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements

- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

## A.5 Travel expenditure

Eligible travel expenditure may include

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy air fare costs at the time of travel.

## A.6 Other eligible expenditure

Other eligible expenditures for the project may include:

- building modifications where you own the modified asset and the modification is required to undertake the project, for example installing a clean room. Modifications to leased buildings may be eligible. You must use the leased building for activities related to your manufacturing process.
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10% of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

## Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure.

The Program Delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- research not directly supporting eligible activities
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- any in-kind contributions
- financing costs, including interest
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- non-project-related staff training and development costs
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- infrastructure development costs, including development of road, rail, port or fuel delivery networks
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests
- travel costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.