

## **Guidelines for Working with for Profit Organizations and Individuals - DRAFT**

The Canadian Education and Research Institute for Counselling (CERIC) is a national charitable organization which, amongst other things, provides financial and other supports for projects that advance research and learning in the areas of career counselling and career development. Based on a partnership model, CERIC works with not for profits, secondary and post-secondary educational institutions, individuals and for profit organizations to support projects that are in line with our goals and priorities.

The following guidelines are aimed at setting parameters for reasonable expectations when working with a For Profit company (or individual) for the purposes of a CERIC Project Partnership.

### **Legal Entity**

We need to know exactly the type of legal entity we will be working with. If a project application is approved, we will need to know under what name the entity was incorporated and in which province. If an individual or unincorporated company, the individual is the legal entity we will form a binding agreement with.

eg. "Great Career Shop" may be the operating name for "12345Ontario Ltd", where "12345Ontario Ltd" is incorporated in the Province of Ontario. "12345Ontario Ltd" is the entity we will contract with in our agreement.

eg. "Great Career Shop" may be the operating name under which Rick Abrams does work, where "Great Career Shop" is unincorporated. Rick Abrams is the individual we will contract with in our agreement.

### **Intellectual Property**

CERIC recognizes that there are no simple guidelines that can manage an approach when considering project participation and of parties' legal obligations with respect to the IP and Projects. In most general cases, CERIC need not share nor own either jointly or wholly IP arising from a project. Our preferred approach to joint exploitation of IP rights is ideally done through a licensing mechanism with our project partner owning the actual IP; this applies both during the term of the partnership and to any intended use of the IP after the partnership dissolves.

In many cases, CERIC is comfortable with the project partner owning the IP rights and assigning a license to CERIC. That said, Project Partners are asked to be mindful that:

- The owner of a copyrightable work is not always the company or organization that has applied and with whom we are partnering;
  - the original owner of the work is the human author and not the employer; the project partner will be responsible for getting written assignments of all relevant rights to the resulting work.
  - if CERIC intends to exploit the Project work product through distribution to third parties, we will need to complete the necessary due diligence to ensure that the project partner truly controls the required rights
- Identification of the correct owner is important so that we can take steps to license necessary elements, either for our own use or for distribution to project partners or others;
  - Project partners need to identify any relevant registered IP in a Project and there needs to be clarity between partners about who has the obligation to maintain the IP rights.
  - Project partners need to agree, in each particular case, which party will be responsible for enforcing the IP rights against infringers and how the cost will be borne or shared.

### **Per diems**

CERIC is mindful that per diem rates can vary based on sector and geography. Applicants are asked to consider current market realities when stating their per diems within their budgets. As an example, lawyers with 10 years of experience saw their fees reduced by about 28% in 2010 due to general economic malaise and client demands. Some factors to consider:

- Are you using a value based approach where the complexity of the project and the impact of the outcomes are factored in?
- What level of experience and expertise is required by the project that you are bringing to it?
- Are you a principal researcher, research assistant, coordinator, administrator? What is your role in the project? What risk/oversight do you take in this role?
- What elements of the project are you contributing to that cannot be otherwise outsourced at a lower cost to the budget?
- What costs are considered in your per diem rate? Can you detail and break these costs down?

## Revenues arising from project outputs

As a charitable organization, CERIC works with organizations, be they not for profit, educational or for profit. In addition, we work with individual or a group of individuals. CERIC recognizes that in some projects partnerships, revenue will be generated through course or workshop registration fees, resources sales or licenses. Project partners are encouraged to consider models which will afford CERIC the ability to further its initial ROI. These can include, but are not limited to, any or all of:

- Cost recovery
- Revenue/Profit sharing
- Royalties

Project partners are encouraged to develop models that include cost recovery:

- early in the lifespan of the project;  
  
eg. Project “CareerTypester” is a 6 month project that produces fee based face to face training for 50 practitioners. It is anticipated that revenue from 50 registrations will offset the complete cost of the project funding. Consider early registration targets to lock in revenue early on.
- correlated to phases of the project;  
  
eg. Project “CareerTypester” above has a second phase to take the project online and offer virtual training for 100 practitioners. It is anticipated that revenue from 50 registrations will offset the complete cost of virtualizing the learning and its implementation. Consider cost recovery payment to CERIC at the midpoint and end of Phase 1, and after successfully completing Phase 1 **and** requesting supplemental funding for Phase 2, consider periodic payments until costs have been fully recovered by CERIC.

Project partners are encouraged to develop revenue/profit sharing models that:

- clearly define what is being shared and how this is arrived at;  
  
We need to understand your definition of net revenue, how you reach profit, and what level of sharing is being proposed. If gradual or sliding levels are proposed, we need to understand what triggers movement from one level to the next.
- are transparent and accountable;
- are easy to administer;
- specify the level of disbursement. This may range between 10% and 30% or more;
- clearly articulate duration. Is it time limited, lifetime, etc. What are the parameters?

Project partners are encouraged to develop royalty models that:

- clearly define what is being used to determine royalties;

- are transparent and accountable;
- are easy to administer;
- specify the level of royalties. Royalties may range between 5% and 30% or more;
- clearly articulate duration of the royalty period. Is it time limited, lifetime, etc. What are the parameters? If gradual or sliding levels are proposed, we need to understand what triggers movement from one level to the next.

In the event that the Project Partner is unable to meet set revenue targets, CERIC reserves the right to terminate the agreement and reexamine how it wishes to exploit the IP under license.

### **Cost coverage limits to attend Cannexus**

While it is anticipated that Cannexus is a preferred choice of conference to disseminate project findings and share project knowledge and outputs, we expect our project partners to be mindful of the following:

- If there is reasonable justification to present and disseminate findings at Cannexus, CERIC will reserve a session slot or poster session, based on satisfaction of selection criteria.
- Projects are evaluated on an individual basis for inclusion in an upcoming Cannexus conference. Where sessions are invited for inclusion in the conference program, funding requests will be considered as per guidelines.
- Project funding request can include:
  - A complementary registration for up to 2 lead project partners
  - Reimbursement of economy travel within Canada, 1 night accommodation at the designated conference hotel and meals for 1 lead project partner

### **Collaborations**

In the spirit of innovation, CERIC encourages project partners who are individuals or from for profit organizations to collaborate with not for profits, secondary and post-secondary educational institutions. In doing so, we ask that you consider the impact on: intellectual property, licensing and dissemination, cost recovery, revenue sharing and royalties.