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1. **GENERAL GUIDELINES**

- Genome Canada (GC) funding can be awarded to Academic Partners employed by one of the following:
  
  - Canadian post-secondary organizations and their affiliated institutions
  - Canadian hospitals and their affiliated research institutes
  - Canadian not-for-profit organizations with an explicit research or knowledge-translation mandate

- A Project will include Receptor Partners from the private sector, government departments or agencies, or other not-for-profit organizations. However, Genome Canada funding cannot be used by them for the purpose of this program.

- The Project term should be a minimum of one year and a maximum of three years.

- The total Project budget should be a minimum of $300K and a maximum of $6M.

- Genome Canada will fund up to \( \frac{1}{3} \) of approved eligible costs. At least \( \frac{1}{3} \) of the project budget must be supplied by the Receptor Partner (in-kind, cash, or a combination of both). The remaining portion ("co-funding") must be secured from other sources.

- Genome Canada funding cannot be used to fund work undertaken outside of Canada, unless it is on a reasonable fee-for-service basis.

- Eligible costs are defined as reasonable costs that directly support the objectives of the approved project. See section 2 for more details.

- Co-funding must be used to pay for eligible costs. See section 3 for more details.

2. **ELIGIBLE COSTS**

2.1. **ELIGIBILITY CRITERIA**

To be eligible, costs must:

- be reasonable
- directly support the objectives of the Project (i.e. incremental, the cost would not be incurred if the project was not taking place)
- be incurred within a specific timeframe (see section 2.4.)
### 2.2. Classification

Eligible costs can be classified in five (5) categories, as follows:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>ELIGIBLE COSTS</th>
</tr>
</thead>
</table>
| **Salaries & benefits** | ▪ Salaries and benefits of Project members (except faculty members of Academic Organizations or management of Receptor Organizations). This includes:  
  ▪ Inflation-linked increases in the second and later years of the project, at actual rates (i.e. as determined by the organization)  
  ▪ Actual benefits (i.e. payroll taxes, group insurance and group pension only)  
  ▪ Actual cost of release time from teaching or clinical duties  

**NOTE:** Supporting documentation must be provided for institutional benefit rates greater than 20%.

| **Consumables** | ▪ Laboratory supplies (a general rate per FTE will be accepted, provided it is justified in supporting documentation)  
  ▪ Materials and supplies related to translation / commercialization activities (e.g. business case development, market research, technology evaluation, etc.)  
  ▪ Maintenance costs of research equipment (e.g. service contracts, etc.)  
  ▪ Travel expenses related to the conduct of the Project

| **Services from others** | ▪ Costs related to the applied research activities provided on a reasonable fee-for-service basis by a third party  
  ▪ Costs related to translation / commercialization activities provided on a fee-for-service basis by a third party (e.g. patent registration and filing costs, business case development, market research, technology evaluation, etc.)

**NOTE:** For out-of-country service providers, justification for not using Canadian service providers is required.

| **Equipment** | ▪ Research equipment, defined as tangible property which is used wholly or partially for research and meets the following three (3) requirements:\  
  ▪ Non-expendable  
  ▪ Useful life of more than one (1) year  
  ▪ Cost of $2,000 or more  
  ▪ Equipment of a value greater than $50,000 will be eligible in exceptional circumstances only  
  ▪ Total funds requested for equipment from Genome Canada must not exceed the lesser of $200,000 or ten percent (10%) of the funds requested from Genome Canada

| **General & administrative** | ▪ Reasonable administrative costs, including:  
  ▪ Office expenses  
  ▪ Website maintenance  
  ▪ Publication costs  
  ▪ Travel related to management of the Project and conferences  
  ▪ Communications and public outreach activities  
  ▪ Salary and benefits for administrative support (e.g. part-time Project accountant)
**2.3. INELIGIBLE COSTS**

Ineligible costs include the following:

- Payments to foreign persons, for example, salaries and benefits of Project team members
- Indirect costs (including institutional overhead)
- Inflation applied to any expense other than salaries & benefits
- Rent, renovation or construction of buildings / facilities
- Opportunity cost of using existing infrastructure or equipment
- Incorporation and legal costs associated with a spin-off company or new company
- Costs associated with sales and marketing activities, such as sales training, marketing strategy development, detail aids, and promotional and educational events

**2.4. TIMEFRAME**

Expenses funded by Genome Canada must be incurred after the Notice of Award (NOA) is issued to be eligible. Expenses covered by eligible co-funding can be incurred up to six (6) months prior to the NOA.

**3. CO-FUNDING**

**3.1. ELIGIBILITY CRITERIA**

To be eligible, co-funding must come from one of the sources identified below and be used to pay for eligible costs.

**3.2. SOURCES**

Genome Canada will provide up to ⅓ of the total eligible costs. At least ⅓ of the total eligible costs must be provided by the Receptor Organization(s) while remaining co-funding must be secured from other sources. The co-funding provided by the Receptor Organization(s) can come from their own resources or from funds provided to the Receptor Organization(s) by another source (e.g. a commercialization grant). All co-funding must be secured before the start date of the Project.

The following sources (Canadian or foreign) are accepted:

- Institutional funds, foundations, trust funds, charities or philanthropic organizations
▪ Companies (public or private, including venture capital or other investment funds and industry consortiums)
▪ Individuals
▪ Departments and agencies of federal governments (incl. granting agencies)
▪ Departments and agencies of provincial and municipal governments (incl. granting agencies)
▪ Centres of Excellence for Commercialization and Research (CECRs)
▪ Canadian Business-led Networks of Centres of Excellence (BL-NCEs)
▪ Mitacs

Ineligible sources include the following:
▪ Canadian Institutes of Health research (CIHR)
▪ Natural Sciences and Engineering Research Council (NSERC)
▪ Social Sciences and Humanities Research Council (SSHRC)
▪ Tri-agency programs (e.g. Networks of Centres of Excellence, Canada Research Chairs); with the exception that CECRs are considered eligible for this program, see above.

3.3. Nature

Eligible co-funding can be classified in four (4) categories, as follows:

<table>
<thead>
<tr>
<th>Nature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash – Unrestricted</td>
<td>Funding which can be used to support any budget item</td>
</tr>
<tr>
<td>Cash – Restricted – Personnel</td>
<td>Funding which can be used only to support specific salaries, as specified by the funder</td>
</tr>
<tr>
<td></td>
<td>E.g.: personnel awards</td>
</tr>
<tr>
<td>Cash – Restricted – Other</td>
<td>Funding which can be used only to support specific project expenditures / activities, as specified by the funder</td>
</tr>
<tr>
<td></td>
<td>E.g.: research grants</td>
</tr>
<tr>
<td>In-kind</td>
<td>Non-cash goods and / or services provided to the project without charge</td>
</tr>
<tr>
<td></td>
<td>E.g.: donated equipment, salaries of technical staff of the Receptor organization, samples</td>
</tr>
</tbody>
</table>

While there is no specific requirement for co-funding to be cash, cash contributions are regarded more favorably than in-kind contributions.

Note the following regarding in-kind contributions:
▪ In-kind co-funding is acceptable only if the value can be reasonably determined and the contribution would otherwise have to be purchased (i.e. paid for in cash)
▪ Discounts offered by suppliers are not eligible co-funding
▪ The value of existing intellectual property (IP) transferred to a project is not considered eligible co-funding, unless it is an in-kind contribution by a vendor of IP (e.g. a software license that would otherwise have to be acquired)
▪ Samples are only eligible if there is an auditable value that can be assigned to it eg. Cost to collect and process samples, or its commercial value

Funding to support the indirect costs of a project (including institutional overhead) is not eligible.

4. FAQ

Q: What are the funding requirements for a GAPP project?
A: Genome Canada will fund up to ⅓ of eligible costs. The remaining portion ("co-funding") must be secured from other sources, with at least ⅓ of the total eligible costs provided by the Receptor Organization(s).

Eligible costs are defined as reasonable costs that directly support the objectives of the approved Project. These costs must be incurred within a specific timeframe.

A realistic co-funding plan must be provided with the full proposal. The plan should demonstrate that all co-funding will be secured by the time the project starts.

Q: Can the Receptor contribution of ⅓ of the total eligible costs come from two or more Receptor Organizations?
A: Yes, the contributions can come from more than a single Receptor Organization, as long as one of them clearly meets the requirements of a Lead Receptor Organization (active involvement, leadership in the identification of the issues to be solved, etc.).

Q: I am the Academic Leader and I was awarded a $250,000 grant last year. The grant is related to activities that are integral to the Project. Is this considered eligible co-funding?
A: Yes, provided the grant pays for eligible costs. These costs can only be incurred up to six (6) months prior to the NOA. Costs incurred before that date are not eligible, therefore the co-funding is not eligible either.

For example, if the Project is awarded Genome Canada funding in January 2018, September 2017 is the cut-off date. If $100,000 had already been spent by September 2017, then only $150, 000 can be considered eligible co-funding.
Q: I am the Academic Leader and I received $100,000 grant from a research foundation based in Sweden. This grant will be spent at the Academic Organization (a Canadian university). Is this considered eligible co-funding?

A: Yes, provided the grant pays for eligible costs directly supporting the objectives of the Project.

Q: I received a $100,000 grant that includes a 35% overhead component (i.e. $65,000 for direct costs, and $35,000 for indirect costs). Is the full amount considered eligible co-funding?

A: No. Funding to support the indirect costs of a Project (including institutional overhead) is not eligible. Note that reasonable costs directly related with the administration of the Project are not considered overhead. See examples on page 4.

Q: As one of the Project leaders, can a portion of my salary be considered eligible co-funding?

A: No. Salaries of faculty members of Academic Organizations or salaries of senior management of Receptor Organizations are not considered eligible costs. However, the actual cost of release time from teaching or clinical duties can be considered eligible co-funding, if supported by a letter from the Academic Organization.

Q: The Academic Organization (a Canadian university) hosting my project is paying a stipend to graduate students working on the project. Is the stipend considered eligible co-funding?

A: Yes. The amount can be included in a proportion consistent with time spent on the Project (using the full-time equivalent (FTE) measure).

Similarly, the salary (including benefits) of team members (e.g. post-doctoral fellows, technicians, etc.) paid by a participating organization can be considered eligible co-funding.

Q: The Academic Organization (a Canadian hospital) is renovating the laboratory space that will be used for the Project. Are the costs of the renovations considered eligible co-funding?

A: No. The cost of new facilities or major renovations is not an eligible expense. The opportunity cost of using existing infrastructure is also not an eligible expense.

If the hospital purchased new research equipment specifically for the purpose of the Project, then the cost could be considered eligible co-funding.

Q: Is an “in-kind” contribution (i.e. in the form of goods or services instead of cash) considered eligible co-funding?
A: Yes, provided it meets two (2) requirements:

- the value can be reasonably determined (and supported by documentation from the supplier)
- the contribution represents an eligible cost that would otherwise have to be acquired with cash

An in-kind contribution that fails to meet both the valuation and integration criteria will not be considered eligible.

Note: While there is no required ratio of cash to in-kind co-funding, cash contributions are preferable.

Q: The Receptor Organization has committed resources to the project (salaries of technicians, consumables, equipment, etc.), but all these resources will be used within the Receptor Organization itself. Is this considered eligible co-funding?

A: This is an in-kind contribution. Please refer to the previous question for eligibility requirements.

Q: A supplier offers a standard 20% academic discount on the regular price for a piece of equipment. The supplier is willing to provide this equipment to my project at a deep discount that is even lower than the academic discount. Can the difference between the regular price and the deeply discounted price (or the difference between the academic price and the deeply discounted price) be considered eligible co-funding?

A: No. Supplier discounts are not eligible in-kind contributions.

If the supplier provided this equipment for free, it would be an eligible in-kind contribution (assuming the equipment is required for the Project). This contribution would be valued at the deeply discounted price. Documentation supporting how the value was determined (price lists, quotes from competitive suppliers, etc.) would be required.

Q: A supplier will give 2,500 microarrays for free if I purchase 2,500. Can the free microarrays be considered eligible co-funding?

A: No. This is in substance a supplier discount, which is not eligible.

Q: The Receptor Organization will provide samples from a tissue bank she assembled in previous years. The total cost of assembling the tissue bank was approximately $1,300,000. It will cost an additional $8,000 to prepare and ship samples to the Academic Organization, a cost that will be borne by the Receptor Organization. Can the samples be considered eligible co-funding?

A: Only the incremental cost ($8,000) can be considered eligible co-funding. The cost of assembling the tissue bank is a sunk cost.
Q: I am the Academic Leader, but I own equity in the Receptor Organization (I was one of the founders). Is this acceptable?

A: For Genome Canada, this is acceptable, but the Academic Leader and the Receptor Leader cannot be the same person.

Keep in mind that the Receptor Organization must show it has the expertise and resources to carry out the proposed activities. For Recepter Organizations partly or fully owned by the Academic Leader, the company must demonstrate that it has its own facilities and staff, and that they are distinct from the Academic Leader’s laboratory (e.g. located off campus or in an incubator facility).

Note that the situation described above may not be acceptable to some Academic Organizations, depending on their policies regarding conflicts of interest.

5. CONTACT INFORMATION

If you have specific questions about budgets or co-funding plans, you can ask your dedicated Ontario Genomics contact or:

Azard Kallan, Director of Finance
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