

# Application Preparation

Available resources from Research Services (RSO):

- Information session about the competition
- Email with instructions on completing a CFI/ORF application
  - How to start an application on the CFI portal (CAMS)
  - Internal review process and requirements
  - Tips sheet for Project and Finance modules

# Application Preparation

RSO resources continued...

- Administrative, budgetary and editorial reviews of draft applications
- Email with internal/sponsor deadlines and follow-up reminder

# How to Prepare a Budget

Setting a **realistic** budget at the proposal stage is important to mitigate the risk of changes that can significantly impact a project's implementation or require additional financial contributions.

# Eligible vs. Non-eligible Costs

## ELIGIBLE COSTS

- ✓ Research Equipment and Components
- ✓ Shipping, Transportation and Installation of research infrastructure, including brokerage fees, excise taxes and duties
- ✓ Warranty and/or service contracts purchased **at the same time** as the research infrastructure
- ✓ Software Licences

# Eligible vs. Non-eligible Costs

## ELIGIBLE COSTS

- ✓ Laboratory Furniture
- ✓ Communications infrastructure essential for the research activities described in the proposal
- ✓ Travel to a manufacturer, dealer or supplier to select research infrastructure

# Eligible vs. Non-eligible Costs

## ELIGIBLE COSTS

- ✓ Initial training for the main operator(s) of the research infrastructure.
- ✓ Professional, technical and managerial personnel, consultants and contractors directly involved in the design, engineering, manufacturing, installation, construction or renovation of the infrastructure

# Eligible vs. Non-eligible Costs

## ELIGIBLE COSTS

- ✓ Construction/ renovation of space essential for housing and effectively using the infrastructure requested in the proposal
- ✓ Acquisition of a database or the time-limited design and development of a database to the point that it is ready for exploitation by the designated research community

# Eligible vs. Non-eligible Costs

## NON-ELIGIBLE COSTS

- ✗ Purchase/lease of real property
- ✗ Infrastructure primarily used for teaching and/or clinical care
- ✗ Office furniture and supplies
- ✗ Internal fees for the use of infrastructure owned by the institution (e.g. lease of server space)

# Eligible vs. Non-eligible Costs

## NON-ELIGIBLE COSTS

- ✗ Operating costs related to the general maintenance and overhead of the research infrastructure and of the building or other facilities in which the research infrastructure is situated
- ✗ Supplies & consumables
- ✗ Trainee stipends and researcher salaries

# Eligible vs. Non-eligible Costs

## NON-ELIGIBLE COSTS

- ✗ Research-related costs
- ✗ Conference Travel
- ✗ Administrative costs

# Valuation of Items

- The expected cost should reflect the cost at the anticipated acquisition date , therefore when developing a budget price fluctuations must be considered
- The total cost of an item is made of the following:

$$\text{Cash Price} + \text{In-kind Contribution} = \text{Total Product Cost (TPC)}$$

- CFI and ORF will each fund up to 40% of the TPC – remaining funding (usually 20%) is provided through vendor in-kind contributions and/or department/divisional/PI cash match.

# Cash price

Cash price must include:

- ✓ any freight fees
- ✓ installation fees charged by the vendor
- ✓ The non-rebatable portion of the HST charged on the piece of equipment (i.e. 3.41%)

# Cash price

## Foreign Exchange Fluctuations

- If the purchase may be from an international vendor, you need to factor for potential foreign currency fluctuations; the actual purchase can often be years from award finalization.
- To factor in this risk for price fluctuation, build in a factor of **0.2** into your budget when determining the TPC of the piece of equipment.

**E.g.  $1.3 \text{ (Current exchange rate)} + 0.2 \text{ (Factor)} = 1.5$**

- Remember that this foreign exchange factor must also be applied to the in-kind portion of the TPC of the piece of equipment.

# Personnel Costs

- Are eligible only if they are to implement the infrastructure, and not undertake research itself. In such a case the full cost of the personnel is considered eligible.

E.g. if the use of professionals, technicians, managers and consultants on staff, the following practices can be used to value their services:

- The actual salary cost plus associated fringe benefits, multiplied by the actual time
- An internal rate reflecting an average salary cost plus associated fringe benefits, multiplied by the actual time

# Construction Costs

- The best practice regarding valuation of construction costs is to use actual costs incurred: segregate the specific CFI/ORF-funded construction project in its own fund so that costs are easy to identify and monitor for eligibility etc
- If this is not possible, please consult with Research Services as for the best valuation method

# What are In-kind contributions?

**In-kind contributions:** Non-monetary resources that external partners offer as a contribution towards a project and are recognized at Fair Market Value.

It may include the value, in whole or in part, of eligible items that are needed to bring the infrastructure into research ready mode.

In-kind contributions to the operating costs of research (e.g. reagents, supplies) are **not** accepted as in-kind contributions.

# In-kind contributions

- In-kind contributions from vendor partners come typically in the form of a “deep discount”, a discount over and above an educational discount (i.e. what they typically give upon purchase). It is their way of covering part of the market cost of a piece of equipment. Thus educational discounts cannot be counted as In-kind Contributions.
- Taxes are not included on the in-kind portion of the cost of the infrastructure
- **Department/Divisional/PI matching contributions** are seen as “cash contributions” and not in-kind contribution

# Eligible Partner Contributions

Eligible partners (Canadian or foreign) include:

- Institutional funds, trust funds or foundations
- Departments and agencies of the Federal Government
- Departments and agencies of the Provincial, Territorial and Municipal Governments
- Firms and corporations
- Non-profit Organizations
- Individuals

Non-eligible partners include:

- CIHR
- NSERC
- SSHRC
- Tri-Council programs (NCE, CRC, RSF)
- Knowledge Infrastructure Program

# Non-eligible Partner Contributions

A partner contribution that has already been used in full or in part to match another project funded by CIHR, NSERC, SSHRC, any Tri-Council program of the KIP will **not** be recognized as an eligible partner contribution for CFI/ORF funded projects

# Non-eligible Partner Contributions

The CFI will, however, allow the cost of eligible items to be covered in part by these non-eligible partners provided that this portion is not used to leverage CFI funds. As a result, the CFI contribution will be based on the total cost of eligible items, less the funding received from the eligible partner.

# Additional Information Needed at Budget Time

In addition to the financial information needed to prepare a budget, it is also important to estimate the timing of proposed expenditures as this will have an impact on the flow of funding from CFI/ORF.

# Who Can Help...

Besides RSO, it is important to include these other key units during the proposal development and award finalization stages to ensure the completeness and accuracy of the budget information:

- **Procurement services:** Involving this unit for significant or higher risk purchases can help ensure all necessary costs are considered and included in the budget, and that procurement timelines including tendering are discussed to avoid any surprises.

# Who Can Help...

- **Facilities management:** This unit can help establish the scope of the work and reliable cost estimates and timelines for a construction or renovation component. Consideration is also given to space, suitability and feasibility of such projects.

# Who Can Help...

- **Division of health, safety and environment:** This unit can identify the required compliance with regulatory and institutional policies that could have an impact on a project's budget or implementation