



## **MARATHON OF HOPE: NETWORK AGREEMENTS**

### **Eligible Expenditures for Projects / Activities**

Eligible expenditures are those identified in approved workplans and directly incurred to complete the approved projects. A project is defined as a Marathon of Hope Cancer Centres Network approved research activity detailed in a Research Project Grant Agreement (RPGA).

#### **Specific Considerations Regarding Eligible Matched Expenses:**

Cash match funds available must be spent on eligible direct costs in order to be reported on the financial reporting template as match expenditures. Receipt of Cash Match funds from donors or other sources is not in itself considered a match until those funds are spent on an approved activity. An acceptable cash match expenditure must meet the following principles:

1. Cash Match expenditures are eligible expenditures paid for from identifiable/auditable sources that must contribute directly to an approved project activity.
2. The Cash Match was used for new or incremental direct eligible research costs of a program or projects that was expended during the approved RPGA Period of Performance term dates.
3. Cash Matching expenses must be auditable in the financial accounts of the RPGA recipient. (ie. must have a proper financial transaction)
4. Each source of matching funds needs to be identified and cannot be from federal sources or other sources that receive the majority of their funding (> 51%) from the federal government due to federal stacking rules. This includes federal government ministries, CIHR, Genome Canada, etc.
5. Non-federal sources can be private sector, donors, charitable organizations or other lower levels of government.
6. Eligible Cash Matching expenditures are in addition to and cannot be reimbursed by the TFRI funds.

#### **If approved by TFRI in the workplan, eligible expenses under both Health Canada and Matched Funding include:**

##### **a. Compensation:**

- i. The auditable direct cost in time and cash of **research leaders, project managers, and administrative staff** involved in delivering the approved projects,
- ii. The auditable direct cost in time and cost of **research and clinical study staff** involved in approved projects.

- iii. The auditable direct cost in time and cost of **trainees directly working on MOHCCN initiatives** (i.e. via timesheets, not stipends or fellowships)
  - iv. The direct costs of **patient engagement, patient education and outreach** for approved projects
  - v. The standard fee for service cost of **providing clinical research services** to the approved project (ie., pathology report, cost of acquiring research biomaterials, microdissection of tumors, etc. (at the auditable standard internal rates)
  - vi. The standard fee for service cost billed for the **use of core shared facilities** by the approved projects
- b. **Case preparation, sequencing and related data services:** including the auditable costs of participant recruitment, consenting, specimen collection, laboratory preparation, sequencing, WGS, RNAseq, clinical data collection and deposition to MOH Standards, sharing of 'Gold-Standard' case data, and other related services.
  - c. **Consumables** including the auditable costs of laboratory supplies, purchased services, animals and housing costs, per patient costs and small equipment (under \$5,000) used directly for the approved project.
  - d. **Research equipment expenditures**, when specifically approved in advance by TFRI or in a RPGA budget and used exclusively for the approved project such as cost of purchase, including maintenance costs, and warranties. If used for multiple projects, commercially reasonable invoiced expenses to cover the amount of direct use of equipment on each project must be provided for audit purposes.
  - e. **Computer hardware, cloud computer storage, software licenses**, development and technical support if wholly used for the approved projects.
  - f. **Telecommunications, videoconferencing, internet costs:** direct and auditable costs used in approved projects such as video conference fees, long-distance charges, etc.
  - g. **Travel, meetings and administrative costs:** direct costs only as specified in the approved budget and workplan. Travel may include the costs to attend the Marathon of Hope Cancer Centres Network meetings.
  - h. Any costs not already provided as part of an **existing clinical trial agreement and budget with a sponsor** (i.e., startup costs, IRB fees, clinical staff time, lab work, dispensary costs, or adverse event evaluation) and directly needed to complete the approved project deliverables.

**Ineligible Expenses under both Health Canada and Matched Funding include:**

- a. Expenditures before or after the RPGA Period of Performance term dates<sup>1</sup>.
- b. In-kind contributions or allocations<sup>2</sup>.
- c. Indirect costs or allocations<sup>2</sup>.
- d. Major equipment over \$5,000 not included in the approved RPGA project budget.
- e. Grants, sub-grants or other award costs.
- f. Academic support/fees for trainees/students such as stipends or fellowship awards that are non-auditable and non-traceable in terms of actual work time spent on MOHCCN projects.
- g. Overhead or infrastructure charges (i.e., institutional, department, building maintenance, rent, insurance, library, etc.). See Overhead Policy below.
- h. Telecommunication costs not wholly auditable as directly used up in the approved project, such as monthly cellular plans, home internet, etc.
- i. Entertainment or hospitality costs.
- j. Membership or professional development fees.
- k. Activities by researchers not part of the approved project scope in the RPGA.
- l. All standard of care costs for a patient, including those patients enrolled on a clinical trial or other research project.
- m. Any expenses which cannot be audited and traced back to a source of eligible matching cash.
- n. Unreasonably high or unusual rates charged to the project.
- o. Lobbying-related expenses.

**Overhead Policy:** Overheads or indirect costs cannot be charged on any TFRI provided funds or on any philanthropic funds raised in partnership with the Terry Fox Foundation for the MOHCCN. Other sources of Match Cash funds may have their own overhead policies, however any overhead or indirect costs levied cannot be reported as a Cash Match expenditure.

**Annual Audit of Cash Match Expenditures:** Annually, Health Canada requires TFRI to engage an external audit firm to conduct an audit of all Cash Match expenditures reported to TFRI on March 31 each year. The firm will contact each MOHCCN Member institution directly to obtain backup evidence of the source of Cash Match funds and details of their expenses reported during each year of the project.

For March 31, 2023 - the audit will be performed by MNP LLP, CPAs.

**Raising new matching funds:** Sites are being encouraged to find new sources of cash contributions for their matching expenses. The contribution agreement with Health Canada is predicated on match funding being from new cash funds and that will significantly help researchers complete their cases by providing a full \$12,000 per case budget, all in cash (\$6,000 TFRI (Health Canada) and \$6,000 cash match).

To help with the new cash contributions, the Terry Fox Foundation (TFF) is leading a national fundraising campaign to raise a \$150 M total match to the Health Canada funds before March 2026, by partnering with major local Foundations in all provinces across Canada. Every institution and project leader is encouraged to reach out to their local Foundations to ensure they are participating with TFF in this major cash-raising campaign.

#### **FOOTNOTES:**

**<sup>1</sup>Match Expenditures before or after the RPGA Period of Performance term dates:** Cash Match expenses, directly related to creating the approved deliverables, that were incurred up to 1 year prior to the start of the funding of the executed RPGA agreement are an eligible match and can be reported to TFRI. Such retrospective expenses are also subject to the annual match expense audit process.

**<sup>2</sup> In-Kind contributions or indirect cost allocations:** an in-kind contribution is defined as a non-monetary contribution of a good or service. Typically, in-kind support in research can include time, services, equipment access, office or lab space, administrative support, or any other supplies or goods that support the research project but do not get paid for in cash by the researcher's own grant funds - non-monetary transactions. While in-kind support can be very helpful to a project, **in-kind contributions are not an allowable expense under the Health Canada agreement and RPGAs.** Similarly, indirect cost allocations such as overhead and other indirect expenses based on general percentages are not considered eligible expenses because they are estimates and not directly traceable to the actual amount of the expense used by the project activities. An expense is considered direct if the actual amount of expense used on the MOHCCN project is clearly calculable, justified and financially auditable.

*This summary of eligible and ineligible expenses will be updated as needed.*