



## ***Policy on Use of Unspent or Savings Relating to Approved Research Projects***

### **BACKGROUND**

Competition I & II projects were due to be completed by March 31, 2005. As a result of delays in signing agreements or in ramping up, most of the projects have requested extensions in time only in order to complete their research. These extensions were reviewed and approved during Fall 2004 period. As a result, the majority of Competition I & II projects will be wrapping up during 2005-06 fiscal year.

Based on discussions with Genome Centre representatives, we anticipate that there may be instances where projects complete their milestones and have unused funds that arise as a result of cost savings. Because there is currently no policy to address how savings or unspent funds may be best leveraged, the default position is that the funds would revert back to Genome Canada.

### **ISSUES**

If no policy is established, it is highly likely that unspent funds would quickly be spent in ways that were never reviewed. There is no clear mechanism for researchers and Genome Centres to propose the best use of unspent funds.

### **CONSIDERATIONS**

In order to ensure the greatest value-added use of funding for Genome Canada approved research projects, it is felt that a policy, which encourages researchers and Genome Centres to realize savings or efficiencies should be implemented as well as direct these funds towards high impact genomic science.

By implementing a mechanism for researchers and Genome Centres to identify additional research or milestones that will be accomplished with the same amount of funding, this will result in a win-win situation. Researchers and Genome Centres receive approval to extend their research and Genome Canada is able to quantify and demonstrate extra value for the same investment.

On the flip-side, if Genome Canada were to automatically "claw-back" any savings/efficiencies, researchers may sense that we are taking away an amount that was awarded to them as an absolute amount of funding (or earned through effective management of the project) and may be less motivated to generate future savings/efficiencies.

### **RECOMMENDATION**

To implement a policy and process that would encourage savings/efficiencies by allowing researchers, with the support of the Genome Centres, to propose a manner in which the available funds may be best used. Specifically:

- If the amount is more than \$500,000 the proposal would be subject to a review by two external reviewers and approval by the Genome Canada Board.
- If the amount is less than \$500,000 it would be subject to the approval by Genome Canada management, using appropriate review, as required.
- Any unapproved proposals will result in the funds remaining with or being returned to Genome Canada.