



GenomeCanada

GLOBAL CHALLENGES ✦ GENOMIC SOLUTIONS DÉFIS MONDIAUX ✦ SOLUTIONS GÉNOMIQUES



Genomic Applications Partnership Program
(GAPP)

Investment Strategy & Guidelines

December 1, 2016

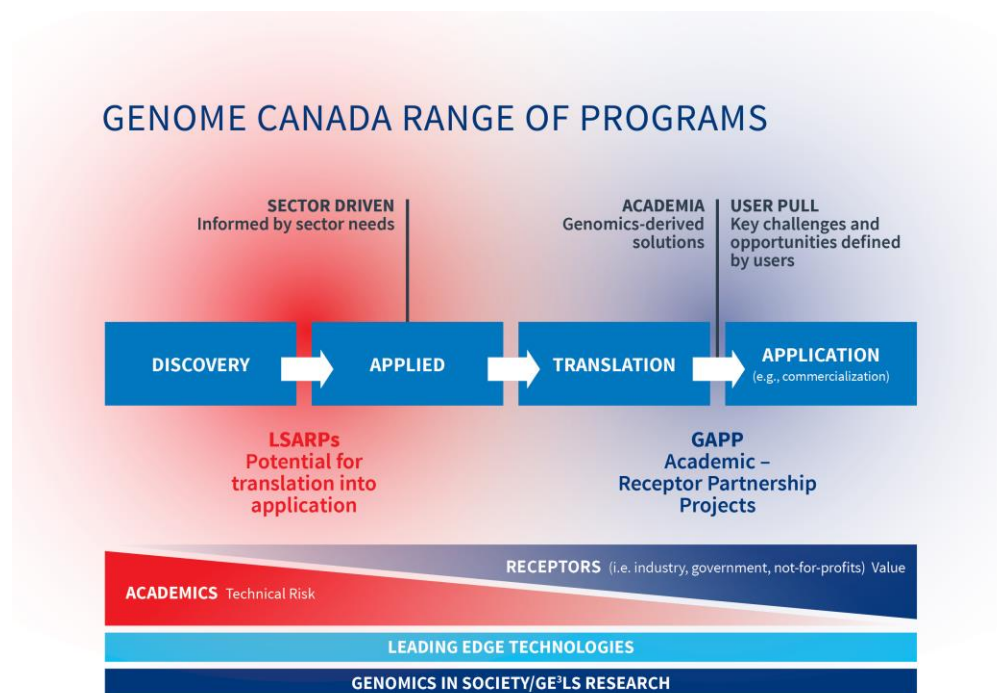
Contents

- 1. GAPP Overview 3
- 2. GAPP Goal and Objectives..... 4
- 3. Project Eligibility 4
- 4. Funds Available, Co-funding and Term 4
- 5. Project Partners 4
 - 5.1. Academics 5
 - 5.2. Receptors..... 5
 - 5.3. Other Project Team Members 5
- 6. Social and/or Economic Benefits to Canada 6
- 7. Intellectual Property, Data Release, Resource Sharing, and Publication 6
- 8. Application Process 7
 - 8.1. Expression of Interest (EOI) / Project Pitch 7
 - 8.2. Supplementary Proposal 7
- 9. Contacts..... 8
- Appendix 1. GAPP Proposal Review Criteria 9
- Appendix 2. Guidelines for GAPP Projects 11
 - 1. Co-funding 11
 - 2. Eligibility for Funding and Eligible Costs 14
 - 3. Administration 16

1. GAPP Overview

Genome Canada is a catalyst for the development and application of genomics¹ knowledge and technology for the benefit of Canadians, with emphasis on strategically important sectors (human health, agriculture, fisheries, forestry, energy, mining, and environment). Genome Canada and the regional Genome Centres have made significant investments in large-scale genomics research and leading-edge technologies, making Canada globally competitive in the field of genomics. We are now increasing our efforts to promote the translation of Canadian genomics discoveries, inventions and capabilities into valuable innovations.

The Genomic Applications Partnership Program (GAPP) represents a key element in Genome Canada's strategic plan – funding downstream research and development (R&D) projects that address real world opportunities and challenges identified by industry, government, not-for-profits and other "Receptors" of genomics knowledge and technologies. GAPP projects are collaborations between academic researchers and Receptor organizations. The projects are co-funded by Receptors and other stakeholders and have the potential to generate significant social and/or economic benefits for Canada.



¹ The term genomics is defined here as the comprehensive study, using high throughput technologies, of the genetic information of a cell or organism, including the function of specific genes, and their activation, suppression and interactions with each other. For purposes of describing Genome Canada's mandate it also includes related disciplines such as bioinformatics, epigenomics, metabolomics, metagenomics, nutrigenomics, pharmacogenomics, proteomics and transcriptomics.

2. GAPP Goal and Objectives

The goal of GAPP is to increase and accelerate the positive social and economic impact of Canada's genomics R&D capacity. Working towards this goal, the objectives of GAPP are to:

1. Accelerate the application of Canadian genomics-derived solutions to real-world opportunities and challenges defined by industry and public sector receptors.
2. Channel Canada's genomics capacity into sustainable innovations that benefit Canadians.
3. Enhance the value of Canadian genomics technologies, de-risking and incentivizing follow-on investment from industry and other partners.
4. Foster mutually beneficial collaboration and knowledge exchange between Canadian academia and technology receptors.

3. Project Eligibility

To be eligible for GAPP funding, projects must:

- develop and apply a genomics-derived tool, product or process to an opportunity or need defined by the Receptor(s);
- focus on late stage R&D that will position the innovation for near term implementation / commercialization;
- be co-led by an Academic and a Receptor organization in partnership, with active and necessary roles for both (see Section 5 for GAPP project partner definitions); and,
- have the potential to generate significant social and/or economic benefits for Canada (see Section 6 for description of benefits to Canada).

GAPP is not intended to fund:

- discovery research;
- commercial launches;
- projects led by industry with an academic in a supporting or service role; or,
- projects, or project components (e.g., certain types of clinical trials), that would normally be funded solely by the Receptor.

4. Funds Available, Co-funding and Term

Applicants can request up to 1/3 of the project budget from Genome Canada, from a minimum contribution of \$100,000 to a maximum of \$2 million. The remaining project funding must be secured from other eligible sources, with at least 1/3 provided by the Receptor(s) (see Appendix 2).

The duration of GAPP projects should be a minimum of one year to a maximum of three years, but may be shorter or longer if justified.

5. Project Partners

Each GAPP project must be co-led by an eligible Academic researcher and a senior representative of a Receptor organization (see below and Appendix 2). The project partnership must leverage the expertise and resources of each partner, and their respective

roles and responsibilities must be clearly defined in the submission. Collectively, the project team should have experience with projects involving translational research and development for commercial and/or public service applications.

5.1. Academics

An Academic is defined as a researcher who is a faculty member of a Canadian post-secondary institution or affiliated, non-commercial entity, such as hospitals and research institutes. Researchers in not-for-profit corporations and registered charities may qualify as Academics for the purposes of GAPP if their organization has an explicit research mandate.

As the primary developer of the genomics solution to be applied, the expected role of the Academic project lead is to develop the project plan (with Receptor), provide scientific and technical expertise and direction, administer project funds, and assume joint responsibility (with the Receptor) for project decisions.

5.2. Receptors

A Receptor is defined as an organization that intends to put the resulting innovation into practice (in internal operations, by commercialization, or otherwise making it available to its ultimate users). Eligible Receptors include:

- companies (private / public, Canadian / foreign-owned);
- industry consortia;
- government departments and agencies (federal, provincial and municipal);
- healthcare organizations; and,
- not-for-profit organizations.

The Receptor(s) must have the expertise and resources to contribute substantially to the project and to exploit the outcomes for the social and/or economic benefit of Canada, or a credible plan to acquire this capacity in the near term.

The Receptor is expected to provide technical expertise and direction for technology implementation, manage issues related to regulation, commercialization and adoption, and (at a minimum) cover the costs of project activities taking place within their organization. In projects with more than one Receptor, the group must appoint one Receptor Project Leader to assume joint decision-making responsibility with the Academic Leader.

Small or start-up companies that have a clear business model and some indication of traction in their industry are eligible Receptors. Companies that are owned by or employ the Academic Project Leader must demonstrate that they have their own business office and staff, physically separated from the Academic's laboratory and independently governed (e.g., by an executive team and Board of Directors).

5.3. Other Project Team Members

Project teams can include Academic and/or Receptor co-applicants, team members from academic institutions and Receptor organizations, respectively, who make substantial

contributions to the proposed project and are involved in the day-to-day execution of the project.

Project teams can also include Collaborators, individuals who are not involved in the day-to-day execution of the project but whose role is to provide a specific service or expertise (e.g., access to equipment, provision of specific reagents, training in a specialized technique, statistical analysis, access to a patient population, etc.).

6. Social and/or Economic Benefits to Canada

Evaluation of GAPP proposals includes an assessment of the potential social and/or economic benefits to Canada if the project substantially achieves its objectives. The indicated benefits should be well defined, quantifiable, and significant within the context of the project. Benefits sought in GAPP projects can include:

- business growth and international competitiveness;
- improved health and safety;
- food security;
- environmental protection;
- public cost savings;
- effective public policy;
- economic development;
- investment attraction; or,
- other tangible benefits.

GAPP projects are expected to consider and, where feasible, address through research and/or stakeholder engagement, the societal concerns and barriers that may impact the advancement and implementation of the project's resulting innovations.

7. Intellectual Property, Data Release, Resource Sharing, and Publication

7.1. Intellectual Property (IP)

Genome Canada does not take an ownership stake in any IP that may be generated as a result of a funded project but, for projects in which significant IP is an expected outcome, GAPP funding is conditional on a legally binding agreement between the project partners regarding IP that is consistent with [Genome Canada's IP Policy](#). The agreement must address, at a minimum:

- rights to use 'background' IP required for the project;
- ownership of, and rights to license, new ('foreground') IP generated by the project;
- management of new IP (such as filing and prosecution expenses, maintenance, licensing); and,
- responsibility and/or liability for patent litigation.

Applicants are advised to contact their regional Genome Centre for guidance on IP policies and guidelines.

7.2. Data Release, Resource Sharing and Publication

GAPP funding is conditional on Project Leaders agreeing to comply with Genome Canada's policies on [Data Release, Resource Sharing and Publication](#). Applicants must provide a Data

Release and Resource Sharing Plan as part of their Supplementary Proposal and agree to comply with the Policy on Access to Research Publications. The Genome Canada policies recognize the importance of maintaining the confidentiality of certain commercially valuable information and seek a balance between openness and protection of Canadian economic interests. As set out in the policies, applicants may request an exemption from data sharing requirements. Exemptions will normally be confirmed early on in the application process upon mutual understanding of the nature of the data and information in question.

8. Application Process

GAPP project proposals must pass through a two-stage review process, as follows:

8.1. Expression of Interest (EOI) / Project Pitch

The EOI is a summary of the proposed project and its value proposition. EOIs are screened by an internal Genome Canada committee to determine eligibility for GAPP. Applicants will normally be informed within one week whether or not their application is eligible to advance to the first review stage – EOI / Project Pitch.

Project leaders with eligible EOIs will be invited to “pitch” their project via teleconference to a panel of external industry and technical experts convened by Genome Canada. The Pitch consists of a presentation, with accompanying slides, that describes in further detail the scientific rationale, economic case, and potential social and/or economic value of the proposed innovation. The presentation is followed by a question and answer period between the reviewers and the project leaders.

The expert panel reviews the information obtained through the EOI and accompanying Pitch (see Appendix 1) and recommends to Genome Canada whether or not the proposal should advance to the Supplementary Proposal stage. A conditional decision may also be rendered, whereby a proposal may advance if certain questions are answered to the satisfaction of the review panel and Genome Canada. Genome Canada notifies the Regional Genome Centres of the decision, normally, within one week after the Pitch, and provides feedback from the external reviewers.

8.2. Supplementary Proposal

The Supplementary Proposal provides a more thorough description of several sections of the EOI, along with a more detailed explanation of the technical aspects of the project and a detailed budget and project plan. Applicants are also expected to address any concerns about the project pointed out in the EOI / Pitch feedback. Supplementary Proposals are reviewed by the same external experts that reviewed the EOI / Pitch, plus additional experts if deemed necessary, and by the Genome Canada Core Evaluation Team (CET). The CET is also provided with the EOI and EOI / Pitch reviews.

The CET consists of external professionals with extensive experience in industry development, technology commercialization, public policy, IP, investment and other relevant areas. The CET reviews all GAPP projects to provide additional viewpoints and consistency across project reviews, and is involved in the ongoing oversight of GAPP funded projects (see Appendix 2). The CET provides recommendations on project funding (new and ongoing) to Genome Canada’s Board of Directors, who have final authority for funding decisions.

All reviewers engaged by Genome Canada are signatories to confidentiality and conflict of interest agreements with Genome Canada to ensure that information is kept in strict confidence and that reviewers are not biased by conflicting professional obligations or financial considerations.

9. Contacts

All documentation and information related to proposal submissions and follow-up must be submitted to Genome Canada through a regional Genome Centre. Please contact your regional Genome Centre (<https://www.genomecanada.ca/en/about-us/genome-centres>) with any questions you have about the program and application process.

Appendix 1. GAPP Proposal Review Criteria

Expression of Interest (EOI) / Pitch

Social and/or Economic Benefits to Canada

- The need or opportunity the project intends to address originates from the Receptor (i.e., demand driven) and is well defined, quantifiable, and significant (economically and/or socially).
- There is significant market potential for the application, or other measurable impact
- Reference is made to alternatives and competitors (if any) to show unmet need or opportunity for a new entrant.
- If successful, the project has the potential to generate significant social and/or economic benefits for Canada in the near term (i.e., within 3 to 5 years after project completion).
- The next steps after the end of the project are well-defined, demonstrating that the project team has a sound understanding of what is required to fully realize the benefits of the innovation.

Technical Aspects

- The project objectives are clear and the major tools and methods to achieve them are appropriate and reasonably well established in the field.
- The plan follows a logical decision pathway to mitigate risks.
- There is a credible scientific rationale and supporting data for the proposed approach and the expected performance of the innovation.
- Suitability of the available facilities, equipment and services for carrying out the project.
- Technical expertise of the team.
- Ability to achieve deliverables in timeframe proposed.
- Degree to which the proposal enables the transfer of knowledge and technologies from Academia to the Receptor community.

Commercialization/Implementation Strategy

- The pathway to commercialization and/or implementation (e.g., in public service) is well defined and realistic, accounting for hurdles to implementation, including legal, regulatory, social, economic and logistical, as applicable.
- There is evidence of buy-in from parties that will be involved in adopting the innovation.
- There is a viable model for sustaining (i.e. funding, monetizing) the innovation in the market or in public service in the mid to long term.
- The IP summary indicates no significant barriers to the project and a reasonable plan for Canadian entities to retain a fair share of the benefits from any newly generated IP.

Management

- The Academic is well qualified and experienced in the project field, based on past projects, publications and other credentials.
- The Receptor has the capacity to contribute significantly to the project, and is in a position to use the innovation to generate benefits for Canada.
- The description of the roles of each Partner in the project, including project leadership and oversight, execution of certain activities, and contribution of specific knowledge, information and resources, is such that the project will likely be completed successfully.

Supplementary Proposal

Technical Aspects

- The project objectives are clear and the major tools and methods to achieve them are appropriate and reasonably well established in the field.
- The plan follows a logical decision pathway to mitigate risks.
- There is a credible scientific rationale and supporting data for the proposed approach and the expected performance of the innovation.
- Extent to which the product, tool or process is worth pursuing based on the additional technical information provided.
- Suitability of the available facilities, equipment and services for carrying out the project.
- Technical expertise of the team.
- Ability to achieve deliverables in timeframe proposed.
- Degree to which the proposal enables the transfer of knowledge and technologies from Academia to the Receptor community.
- Milestones proposed are well-defined and quantifiable. Go/no-go milestones are clearly articulated.

Commercialization/Implementation Strategy

- The pathway to commercialization and/or implementation (e.g., in public service) is well defined and realistic, accounting for hurdles to implementation, including legal, regulatory, social, economic and logistical, as applicable.
- There is a viable model for sustaining (i.e., funding, monetizing) the innovation in the market or in public service in the mid-long term.
- The plans for IP indicate no significant barriers to the project and a reasonable plan for Canadian entities to retain a fair share of the benefits from any newly generated IP.
- The plan for sharing data and resources within the project and externally is appropriate and complies with Genome Canada's policies on Data Release and Sharing.

Financial Aspects

- Reasonableness of the proposed budget in terms of the anticipated level of effort and deliverables.
- Extent to which the proposal provides assurance that expenditures from a funded project will be closely and critically monitored.
- Receptor(s) is (are) providing at least 1/3 of the co-funding.
- Extent to which the proposed co-funding plan is well-documented, eligible and feasible.
- Proposed co-funding is integrated with and directly supports the objectives of the project.
- Likelihood that all the co-funding will be secured at the time of release of funds.

Appendix 2. Guidelines for GAPP Projects

1. Co-funding

Genome Canada will invest up to 1/3 of the investment required to cover eligible costs; the remaining 2/3 must be secured through co-funding with at least 1/3 provided by the Receptor(s). If there is more than one Receptor this will need to be justified at the time of submitting the Expression of Interest. The co-funding provided by the Receptor(s) may be derived from their own resources or from funds provided to the Receptor(s) by another source. All co-funding must be secured before funds can be released to the project. The Genome Centres, working with the applicants, are responsible for securing co-funding.

Note that in exceptional circumstances, e.g., a small start-up company, it is allowable to confirm Receptor co-funding year-by-year, as long as all co-funding for the first year is secured and a well-developed and feasible plan for securing the remaining co-funding is in place at the time of release of funds.

1.1 Sources of Co-funding

Eligible co-funding sources include:

- Companies
- Venture capital or other investment funds.
- An industry consortium
- Institutional funds, trust funds, or foundations
- Charities and philanthropic organizations
- Departments and agencies of the federal government (e.g., Natural Resources Canada, Agriculture and Agri-Food Canada, the Canada Foundation for Innovation and Economic Development Agencies)
- Centres of Excellence for Commercialization and Research (CECRs)
- Departments and agencies of provincial and municipal governments
- Mitacs
- Voluntary organizations
- Individuals

Ineligible co-funding sources include:

- Canadian Institutes of Health Research (CIHR)
- Natural Sciences and Engineering Research Council (NSERC)
- Social Sciences and Humanities Research Council (SSHRC)
- Canada Research Chairs (CRC)
- Networks of Centres of Excellence (NCEs); with the exception that CECRs are considered eligible for this program, see above

1.2 Co-funding Requirements

Co-funding must be for eligible costs that represent new or incremental activities that are an integral part of the Genome Canada approved project (see Eligible Costs, Section 2.2) in order to be considered as an eligible co-funding source.

In-kind contributions, defined as non-cash eligible budget items which can be given as cash value (such as salaries for company personnel working on the project) may be considered as co-funding if:

- the value can be reasonably determined and supported by documentation from the co-funder; and,
- the expenditure represents an item that would otherwise have to be acquired with cash. However, this excludes the cost of pre-existing facilities or equipment (i.e., budgets cannot include the opportunity cost of space or equipment).

The value of existing IP transferred to a project is NOT considered eligible co-funding unless it is a contribution by a supplier of IP (e.g., a software license that would otherwise have to be acquired from a third party supplier). Such items must be supported by appropriate documentation from the supplier's head office.

Suppliers' discounts are not considered eligible co-funding.

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

1.3 Documentation Required to Support Co-funding

Supplementary Proposals must include complete documentation to support proposed co-funding. This may be in the form of a letter of commitment or an agreement defining the terms and conditions of proposed co-funding. In addition, the project must provide a description of how the co-funding will directly support the objectives of the Genome Canada project. In general, co-funders must explicitly acknowledge the use of funds to co-fund the Genome Canada projects.

The following provides specific examples of documentation required, depending upon the co-funding source, or type:

Organizations, including companies, charities, and philanthropic organizations:

- Documentation and supporting information which clearly demonstrates the organization's level and terms of commitment to the project. Appropriate documentation could include but is not limited to a Board Resolution, and/or, a letter from the organization's CEO, CFO, legal counsel or Corporate Secretary; and,
- Appropriate and reasonable documentation supporting the organization's financial viability and its ability to deliver on the co-funding. Depending on the organization and the level of funding being committed, documentation should include: a full set of the organization's most recent audited financial statements, including the Auditor's Report, a Balance Sheet, Income Statement, Statement of Cash Flows and Notes to the Financial Statements;
- In the case where the audited statements are more than three months old, a full set of the organization's most recently prepared financial statements including a Balance Sheet, Income Statement, Statement of Cash Flows and Notes to the Financial Statements; and,
- Any other information or documentation (e.g., press releases announcing significant new financing, cash flow projections, etc.) which provides credible support to the organization's financial viability and ability to fulfill its co-funding commitments.

From a Provincial government

- Confirmation that the province will provide co-funding;

- The amount anticipated;
- A list of other projects currently submitted to the GAPP that the government will support, including the project tracking number, the names of the Project Leaders, the title of the project, and the amount of the request from the government;
- A description of the process that will take place once Genome Canada announces awards, including timelines for decisions and, if appropriate, confirmation that the government will accept Genome Canada's review process; and,
- A letter signed by a high-ranking provincial government official with appropriate authority.

From a funding agency

- A copy of the full application;
- Project summary;
- Detailed budget; and,
- Notice of award (if applicable)

Documentation must clearly demonstrate that funding is being used for eligible costs included in the budget of the Genome Canada approved project.

In-kind contributions

- A clear rationale and calculation of how the value of the contribution was determined (including documentation to support all assumptions, price lists, quotes from suppliers, letters supporting same, etc.).

All in-kind contributions must be auditable by outside experts and clear explanations are required if there are any discrepancies between the value outlined in the co-funding document and the budget. Examples of supporting documentation to support in-kind co-funding include:

- **Salaries**
 - Each in-kind salary line must be detailed by position as required in the budget template and represent the actual salary and benefits of the position in accordance with the applicable salary provisions of Eligible Costs in Section 2.2.
- **Consumables**
 - Documentation that indicates the actual cost to the Receptor or co-funder to acquire the consumables or documentation that indicates the price that would be typically paid for the item(s) on the commercial market.
- **Equipment and Software**
 - Letter from a senior official of the vendor that shows the price that the customer would typically have paid for the equipment or software (net of typical discounts including institutional discounts which are not eligible as co-funding)
 - For custom-made or used equipment, a third party valuation will normally be required
 - For previously developed custom-made software or IP, only new costs are eligible.
- **Samples and Other Biological Resources**
 - If samples are typically available at no cost then there is no cost of acquiring such samples and as a result no value can be deemed to be co-funding

- If samples are typically sold, then any proposed contribution would require the same documentation as equipment and software.

2. Eligibility for Funding and Eligible Costs

2.1. Eligibility of Investigators, Institutions and Organizations

Genome Canada funding is restricted to work performed within Genome Canada eligible institutions, i.e., Genome Canada will not support work to be undertaken outside Canada, in for-profit organizations or in federal laboratories, except for costs incurred based on a reasonable fee-for-service arrangement or contract.

Genome Canada funds can be awarded to investigators affiliated with the following institutions and organizations:

- Canadian post-secondary organizations and their affiliated institutions including hospitals and research institutes;
- Canadian non-federal government departments or agencies and not-for-profit organizations (including community or charitable organizations) with an explicit research or knowledge-translation mandate.

2.2 Eligible Costs

Eligible costs are defined as reasonable costs for items that directly support the objectives of the Genome Canada approved project. Budgets must NOT include items for which funding has already been approved from other sources, unless the request for funding of these items was specifically made to support activities in the Genome Canada project and they meet all other eligibility criteria. Expenses funded through Genome Canada must be incurred after the Notice of Award (NOA) to be considered as eligible costs. However, expenses covered by eligible co-funding incurred up to three months prior to the NOA may be considered eligible costs.

Eligible costs may include the following:

Salaries

- Salaries and benefits for project team members (note that salaries of independent investigators who are faculty members of academic institutions or in a management role in a Receptor organization are not considered eligible costs).
- The actual benefit rates as charged by the host organization. Eligible benefits include only payroll taxes, group insurance and group pension. For benefit rates that exceed 20% of the employee's salary supporting documentation (such as a letter from the organization's human resources department) must be provided.
- The actual cost of release time from teaching and clinical duties, if supported by a letter from the host institution.
- Annual inflation for salary expenditures in the second and later years of the project at actual rates as charged by the organization; for inflationary increases exceeding 1.5% of total salary and benefits, supporting documentation must be provided.

Equipment

- Equipment is defined as any item (or interrelated collection of items comprising a system) which is used wholly or in part for the work proposed and meets all three of the following conditions: 1) nonexpendable tangible property; 2) having a useful life of more than one year; and, 3) a cost of \$2,000 or more.
- Small individual equipment items having a value of less than or equal to \$50,000 are eligible; more expensive items will only be covered in exceptional circumstances when the piece of equipment is crucial to the success of the project and cannot reasonably be funded by other sources or accessed by other means.
- Total Genome Canada funds requested for equipment must not exceed the lesser of \$200,000 or ten percent (10%) of the funds requested from Genome Canada over the funding period.

Please note that the costs of equipment maintenance contracts and general maintenance of research infrastructure are considered consumables expenses (see below).

Consumables

- For consumables commonly utilized in most laboratories, a general rate per FTE will be accepted, provided that the rate is appropriately justified in the supporting documentation. Extraordinary consumables must still be itemized in the budget and supported by quotes when material.
- Material and supplies: includes items that meet at least one of the following conditions: 1) expendable tangible property; 2) useful life of one year or less; or, 3) a cost of less than \$2,000. As an example, a laptop computer that costs less than \$2,000 would be considered a consumable even though it is a nonexpendable tangible item with a useful life of more than one year.
- The consumables category also includes items such as equipment maintenance contracts and general maintenance of research infrastructure, travel expenses directly related to specific project tasks, and materials and supplies related to the direct costs of application or commercialization activities (e.g., costs associated with advancing development of products and technology, business case development, market research and technology evaluation).

General and Administrative Costs

- Administrative costs can include, for example, travel for project team members related to the management of the project (e.g., project team meetings) and project-related conferences, communications and public outreach activities, website maintenance, office expenses, costs associated with the preparation of reports.
- Administrative costs must not exceed five percent (5%) of the non-administrative costs of the budget.

Services from Others

- The costs related to services provided by fee-for service providers.
- Expenses related to application or commercialization activities provided on a fee-for-service basis (e.g., patent registration and filing costs, costs associated with advancing development of products and technology, business case development, market research and technology evaluation).

Examples of **ineligible** costs include the following:

- Payments to foreign persons, for example, salaries and benefits of project team members;
- Indirect costs to the project, including institutional overhead costs;
 - Rent, renovation, or construction of buildings or facilities, and the opportunity cost of using existing infrastructure;
 - Incorporation and legal costs associated with a new spin-off or company; and,
 - Inflation applied to consumables, equipment, general & administrative costs or services from others.

3. Administration

3.1 Project Readiness

Leader(s) of approved projects must meet, through formally submitted documentation, all relevant conditions that may be specified in the NOA received from Genome Canada and be in a position to receive Genome Canada funding no later than three months after the effective date of the NOA, unless otherwise specified in the NOA. Genome Canada reserves the right to withdraw funding for any approved project that is not ready to receive funding at that time.

3.2. Conditions for Release of Genome Canada Funds

Before funds can be disbursed the conditions for funding must be satisfied which normally include, but are not restricted to:

- A letter signed by the CEO of the Genome Centre confirming to Genome Canada that: all agreements have been signed between the Genome Centre, Genome Canada, the lead organization, the researchers and the co-funding partners; all other conditions for release of funds have been met; and funds will flow to the project upon receipt of funds from Genome Canada. These agreements must clearly demonstrate agreement among the relevant parties, on all significant issues including but not limited to, the nature of financial contributions, IP ownership and management in alignment with the IP Term Sheet requested below, data release, the commercialization process, the funding term, a termination policy, financial and administrative policies, and quarterly reporting of expenses and co-funding status, etc. The agreements must be in compliance with the agreement between Genome Canada and the lead Genome Centre.
- An IP Term Sheet must be supplied as a separate document, in final form, fully negotiated, legally binding and signed by all related parties or, alternatively, final agreed IP terms must be provided as part of a fully negotiated legally binding agreement signed by all related parties.
- A revised budget (as well as updated objectives and milestones) will be required in instances where there are budget implications arising from recommendations of the reviewers (as outlined in the Summary of Review and Status Report), as well as where there are reductions in costs of services. Genome Canada will NOT accept revisions to the budget for any other reasons. Final budget approval will be based on a review by Genome Canada. If the cost of services has gone down since the project was submitted for review, projects must provide an updated statement of work (SOW) which reflects the current cost of services and the budget must be revised accordingly.

- Revised Objectives and Milestones (as well as GANTT chart) will be required in instances where adjustments were made to the proposal following recommendations from the reviewers such as the removal of an activity, revised budget, timelines, etc.
- Secured co-funding (received or committed) for the project (i.e., 100% of co-funding, unless otherwise specified by Genome Canada). Genome Canada reserves the right to withdraw its funding for any approved project that does not meet this requirement or if there is a substantial change in a project's co-funding status.
- Appropriate certification for proposals performing research involving human subjects, human stem cells, animals, biohazards, radioactive materials or possible effects on the environment are in place.
- The project must have a Data Release and Resource Sharing Plan approved by Genome Canada.
- A publication policy which includes a commitment to comply with Genome Canada's policy on Access to Research Publications. Note that information from approved applications (i.e., the name of Project leaders, Lead Centre, Co-Lead Centre, Lead Organizations, title, project summary and amount supported) will be posted on the Genome Canada website.
- A commitment to acknowledge the contribution of the Government of Canada through Genome Canada and the lead Genome Centre, as well as all other relevant funders, in publications and all communications in compliance with Genome Canada's Brand Standards Guide.
- Meet other conditions that may be set by the Board of Directors of Genome Canada.
- Meet specific conditions or recommendations of the CET as detailed in the project's Summary of Review and Status Report.
- Agree to the guidelines for the administration of projects as outlined in Genome Canada's GAPP Investment Strategy and Guidelines.

3.3. Management of Funding

- The agreement between Genome Canada and the Genome Centre will reference financial commitments from other persons as well as other financial requirements.
- As the needs and circumstances of each Centre, the team and partner organizations may differ, the contracts between these partners will be negotiated individually and need not be identical, but should apply the same general principles defined in the agreement between Genome Canada and the Genome Centres. Genome Canada's share of the funding for approved projects will flow from Genome Canada to the Centres. The Genome Centres will manage (e.g., disburse, monitor and report on) the funds for the project.
- Genome Canada's contributions can be adjusted to accommodate the timing of the expected receipt of funds from co-funding partners.

- Genome Canada provides funding on a quarterly basis in advance, subject to receipt of reports for the required period (generally, semi-annual) of expenditures (from both Genome Canada and co-funding sources), including actuals to the previous period, estimates for the current period, and forecasts for the period of the advance. Subsequent quarterly advances may be adjusted to account for any unused funding. The final settlement of advances is based on Genome Canada's pro rata share of actual expenditures, as per the Genome Canada's contribution ratio on the latest approved budget.
- The financial status of co-funding (domestic and international) must be reported on a periodic (generally, semi-annual) basis.

3.4. Accountability, Reporting and Performance Measurement

Funded projects must submit to their lead Genome Centre on a periodic (generally, semi-annual) basis, information and data as prescribed by the Centre and the Genome Canada in terms of timing, format and content, which will allow for the on-going assessment and monitoring of their performance. Funded projects must also agree to participate in and provide information for any evaluation-type activities that may be undertaken from time to time by Genome Canada or the Genome Centre, for up to five years subsequent to the end date of the project.

3.5. Monitoring, Maximizing Impact and Management of Changes to Funded Projects

In order to ensure projects are meeting their milestones and maximize the likelihood of success of funded projects, the Genome Centres and Genome Canada will work together to monitor and advise the projects on an ongoing basis. In addition, project teams will be required to submit reports every six months to Genome Canada through their Genome Centre, including reporting on progress towards meeting their milestones. Although the reporting period will normally be every six months, some projects may be required to report quarterly if this is felt to be necessary. For projects in which the investment from Genome Canada is less than \$1 million and there is no go/no go gate in that reporting period, Genome Canada will review the progress report and provide feedback to the project via the Genome Centre. For projects where the investment by Genome Canada is greater than \$1 million or for any project where there is a go/no-go milestone during that reporting period, the progress reports will be forwarded to the Core Evaluation Team (CET). The CET will make recommendations to Genome Canada regarding whether funding should be continued, modified or cancelled for those projects.

Over the term of a Genome Canada funded project, changes to the scientific, managerial or financial conditions of funding initially approved by Genome Canada must be discussed in advance with the Genome Centre and Genome Canada. Changes may be submitted to the CET for review. Final approval of changes will be required from the Genome Centre and Genome Canada.

3.6. Final Reports

Within three (3) months of the completion of the projects, each project will be required to submit to its Genome Centre a final report that includes a description of the accomplishments of the project relative to the approved objectives as well as a detailed financial report in a format as determined by Genome Canada. A percentage of the final payment will be held back pending receipt and approval of the Final Report.