



**Eligible and Ineligible Expenditures Guidelines**  
**(Market Readiness (MR), Medical Sciences Proof of Principle (MSc PoP)**  
**and SmartStart Seed Fund Programs)**

### Cash and In-Kind Expenditures

Eligible cash contributions include expenses for the direct costs of R&D that are directly related to achieving the objectives for which the OCE funding was awarded.

Eligible in-kind contributions include eligible non-monetary resources that applicant and partners provide to support the project. In-kind contributions include personnel time, services, supplies, expenses, capital equipment required to execute the Project, excluding out-of-pocket expenditures. (NOTE: the maximum per diem is limited to \$800 per day cash or in-kind)

### Retroactive Expenses

Costs incurred prior to the execution of the legal agreement with OCE will not be eligible.

| Eligible Expenses   | Ineligible Expenses   |
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| <b>Salaries &amp; Benefits</b>  |   |
| <ul style="list-style-type: none"> <li>• Salaries and benefits both academic institution and startup staff (specify position and FTE status) working directly on the project<br/>Maximums specified in the funding agreement with OCE               <ul style="list-style-type: none"> <li>○ Salaries and benefits up to \$50,000 for Embedded Executives (eligible expenditure for Market Readiness phases II and III funding only)</li> </ul> </li> <li>• Replacement costs associated with Faculty Release to enable college faculty to conduct research projects (number of replacement hours X cost/hour = total replacement cost up to \$7,000 per course load reduction, per semester, per faculty)</li> </ul> <p><i>Additional Limits &amp; Conditions:</i></p> <ul style="list-style-type: none"> <li>• <i>Salaries and benefits must only be claimed in proportion to the amount of time spent working directly on the Project. The institution/startup shall be required to maintain timesheets or appropriate records for all employees working directly on the project.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Salaries and benefits of faculty, adjunct or visiting professors               <ul style="list-style-type: none"> <li>○ Costs related to proposal development (including staff)</li> </ul> </li> </ul> |

| Travel and Living  |   |
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| <p><b>Services and Miscellaneous Expenses</b></p> <ul style="list-style-type: none"> <li>• Recruiting costs for personnel, such as advertising and airfare for candidates, etc. (Applicable to Market Readiness (MR) program only)</li> <li>• Costs for safe disposal of waste.</li> <li>• Costs involved in providing personnel with training and/or development in novel techniques required for the project</li> <li>• Monthly parking fees for vehicles specifically required for field work and only for month(s) associated with the project only</li> <li>• Registration fees and travel and accommodation costs incurred and reimbursed in accordance with the <a href="#">Broader Public Sector (BPS) Procurement Directive</a> and with the <a href="#">Travel, Meal and Hospitality Expenses Directive</a> (NOTE: the Treasury Board of Canada Secretariat – Travel Directive is to be followed for SmartStart Seed Fund projects only) <ul style="list-style-type: none"> <li>○ Travel outside of the Province of Ontario requires justification and approval from OCE</li> </ul> </li> </ul> <p><i>Additional Limits &amp; Conditions (applicable to the SmartStart Seed Fund only)</i></p> <ul style="list-style-type: none"> <li>• Specialized courses with adequate justification.</li> <li>• <i>Education-related costs such as thesis preparation, tuition and course fees, leading up to a degree</i></li> <li>• <i>Costs related to professional training or development, such as computer and language training.</i></li> </ul> | <p><b>Services and Miscellaneous Expenses</b></p> <ul style="list-style-type: none"> <li>• Costs of alcohol</li> <li>• Costs of entertainment, hospitality and gifts, other than those specified above such as regular interactions with colleagues from the institution and personnel meetings</li> <li>• Meals and accommodation costs (Applicable to the SmartStart Seed Fund only)</li> <li>• Costs related to staff awards and recognition.</li> <li>• Costs of basic services such as heat, light, water, compressed air, distilled water, vacuums and janitorial services supplied to all laboratories in a research facility</li> <li>• Insurance costs for buildings or equipment</li> <li>• Costs associated with regulatory compliance, including ethical review, biohazard or radiation safety, environmental assessments, or provincial or municipal regulations and by-laws</li> <li>• Monthly parking fees for vehicles, unless specifically required for the project</li> <li>• Sales taxes to which an exemption or rebate applies</li> <li>• Costs of moving a lab/start-up enterprise</li> <li>• Entertainment expenses, gifts and alcoholic beverages</li> <li>• Passport and immigration fees</li> <li>• Reimbursement for airfare purchased with personal frequent flyer points programs</li> </ul> |
| Operating expenses (materials, fees, publications, events)   |   |
| <p><b>Capital Costs, Equipment and Supplies</b></p> <ul style="list-style-type: none"> <li>• Office lease and maintenance</li> <li>• Office supplies and services</li> <li>• Research equipment purchase, usage charges and maintenance <u>costs as determined by OCE on a case-by-case basis</u>, with value pro-rated to the project</li> <li>• Research materials, license fees, publication</li> </ul>   | <p><b>Capital Costs, Equipment and Supplies</b></p> <ul style="list-style-type: none"> <li>• Tangible capital costs such as, but not limited to, land, buildings, vehicles, equipment</li> <li>• Insurance costs for equipment and research vehicles</li> <li>• Costs of the construction, renovation or rental of laboratories or supporting facilities.</li> <li>• Infrastructure costs</li> </ul>  |

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| <p>and workshop costs, supplies and services directly related to the project (with value to the project pro-rated, if appropriate)</p> <ul style="list-style-type: none"> <li>• Lab analyses and related services</li> <li>• Travel costs to visit manufacturers to select major equipment purchases</li> <li>• Transportation costs for purchased equipment</li> <li>• Brokerage and customs charges for the importation of equipment and supplies</li> <li>• The costs of training staff to use equipment or a specialized facility</li> <li>• Maintenance and operating costs of equipment and vehicles used for the project</li> </ul> | <ul style="list-style-type: none"> <li>• Expenses associated with lobbying or government relations activities</li> <li>• Costs associated with activities or operations performed outside of Ontario, unless the Applicant obtains the prior approval from OCE in writing for any proposed out-of-province expenditures</li> <li>• Costs not directly associated with meeting the deliverables and milestones as specified in the funding agreement with OCE</li> <li>• Allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges</li> <li>• Losses on investments, bad debts and related collection expenses</li> <li>• Losses on other projects or contracts</li> <li>• Amortization of unrealized appreciation of assets</li> <li>• Depreciation of assets</li> <li>• Expenses and depreciation of excess facilities</li> <li>• Any costs, including taxes, for which the institution/startup has received, will receive or is eligible to receive a rebate, credit or refund</li> <li>• Donations in the form of goodwill and other intangibles (such as intellectual property, including licenses and patents)</li> <li>• Opportunity costs</li> <li>• Standard discounts</li> <li>• Interest charges</li> <li>• Federal and provincial income taxes or surtaxes and any special expenses incurred in relation to taxes</li> <li>• Fines and penalties</li> </ul> |
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| <p><b>Computers and Electronic Communications</b></p> <ul style="list-style-type: none"> <li>• Computers, tablets, modems, emerging technology and other hardware and/or specialized software required for the research not normally provided by the institution, and with adequate justification (Applicable to the Medical Sciences Proof of Principle (MSc PoP) and Market Readiness (MR) Programs only).</li> <li>• Monthly charges for the use of the Internet from the institution or the home, only when this service is required for the purpose of research and not normally provided by the institution free of charge.</li> <li>• Cellular phones, smartphone or other electronic devices when they are necessary for research purposes (e.g. data collection), and/or for personnel safety reasons with adequate justification.</li> <li>• Monthly plan fees for electronic devices when being used for the research purposes (e.g. data collection), and/or for personal safety reasons only.</li> </ul> <p><b>Dissemination of Project Results</b></p> <ul style="list-style-type: none"> <li>• Costs of developing web-based information, including website maintenance fees.</li> <li>• Costs associated with the dissemination of findings, i.e., through traditional venues as well as videos</li> <li>• Translation costs associated with dissemination of project information</li> <li>• Training/staff professional development (Applicable to Medical Sciences and Proof of Principle (MSc PoP) and Market Readiness (MR) programs only)</li> <li>• Entrepreneurship skills training (i.e. learning conferences, peer networks; one-on-one mentoring with a seasoned entrepreneur; entrepreneurship training workshops; etc.) (Applicable to the SmartStart Seed Fund only)</li> <li>• Legal, accounting, insurance and consulting fees in connection with the project <ul style="list-style-type: none"> <li>○ Professional advisory services to assist entrepreneurs in launching their businesses (e.g., legal services, business</li> </ul> </li> </ul> | <p><b>Computers and Electronic Communications</b></p> <ul style="list-style-type: none"> <li>• Standard monthly connection or rental costs of telephones, including voicemail.</li> </ul> |
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registration support, patents, market strategy, business planning) (Applicable for the SmartStart Seed Fund only)

- up to 25% or \$1,875 of the maximum \$7,500 may be used for travel related expenses
- Sub-contractor and consultant fees if approved by OCE Management prior to the start of the project and if procured in accordance with the [BPS Procurement Directive](#)
- IP protection costs are the responsibility of the applicant; however, OCE may consider supporting a start-up, which has the right to commercialize the IP, with up to \$5,000 in costs associated with IP filings

#### Additional Limits & Conditions

- *Goods and services provided by the institution/startup to the Project must be furnished at the institution/startup's actual cost and must not contain any mark-up*
- *Costs associated with professional services must not exceed fair market value*