4.6 Eligible costs for infrastructure projects

Eligible costs are defined as the costs of acquiring or developing research infrastructure. The institution must report the full cost of each item. The taxes net of credits received may be included. Taxes must not be calculated on an in-kind portion. At the application and award finalization stages, the expected cost at the anticipated acquisition date should be reported (i.e. consider expected price fluctuations). Examples of eligible and non-eligible costs are provided below. Additional details of costs relating to personnel, construction or renovation and databases are provided in the following sections. Eligible costs associated with a specific competition are detailed in the relevant program description in the “Our funds” section of the CFI website (www.innovation.ca/en/OurFunds). If a particular item is not clearly defined as eligible or non-eligible, the CFI will consider the request on a case-by-case basis.

**Eligible costs**
- Research equipment and components
- Shipping, transportation and installation of research infrastructure, including brokerage fees, excise taxes and duties
- Warranty and/or service contract purchased at the same time as the research infrastructure
- Software licences
- Laboratory furniture
- Communications infrastructure essential for the research activities described in the proposal
- Travel to a manufacturer, dealer or supplier to select research infrastructure

Initial training for the main operator(s) of the research infrastructure. It is expected that the main operator(s) will train other users. Alternatively, an initial group training session may be provided by the vendor at the institution.
- Professional, technical and managerial personnel, consultants and contractors directly involved in the design, engineering, manufacturing, installation, construction or renovation of the infrastructure
- Construction or 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 a designated research community

**Non-eligible costs**
- Purchase or lease of real property
- Infrastructure primarily used for teaching and/or clinical care. When infrastructure is dual purpose (e.g. research and clinical use), costs must be pro-rated accordingly.
- Office furniture and supplies
- Internal fees for the use of infrastructure owned by the institution (e.g. lease of server space)
- Operating costs related to the general maintenance and overhaul of the research infrastructure and of the building or other facilities in which the research infrastructure is situated
- Supplies and consumables
- Trainee stipends (undergraduates, graduates and post-doctoral fellows) and researcher salaries
- Research-related costs (e.g. primary data collection, recruitment initiatives, publication fees)
- Conference travel
- Administrative costs not specifically listed as eligible costs

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Source: CFI Policy and Program guide MAY 2013
(http://www.innovation.ca/sites/default/files/essential_documents/Policy_and_program_guide_en.pdf)
4.6.1 Personnel

The costs of retaining professional, technical and managerial personnel, consultants and contractors directly involved in the design, engineering, manufacturing, installation, construction or renovation of the infrastructure are eligible. If an institution retains the services of an external provider, the full cost of that provider is considered eligible, assuming it is related to eligible activities. Alternatively, an institution may have professionals, technicians, managers and consultants on staff to perform eligible activities.

Normally, each institution has its own established practices that dictate how costs associated with internal services are charged. Although internal practices vary, they usually consist of one or more of the following:

1. The actual salary cost of the individual plus fringe benefits, multiplied by the actual time;
2. An internal rate reflecting an average salary cost plus associated fringe benefits, multiplied by the actual time;
3. An internal rate reflecting an average salary cost plus associated fringe benefits plus overhead component, multiplied by the actual time;\(^1\)
4. An approved internal fee for service, which may include an overhead component;\(^1\)
5. In the case of architectural and/or engineering and/or project management costs related to construction or renovation projects, a fixed percentage of total construction or renovation costs. The percentage may include an overhead component.\(^1\)

The CFI always accepts the first two practices. If an institution does not recuperate more than the full costs of a department associated with providing the services through the use of an internal rate, fee or fixed percentage and if the costs of a department that are recovered from the CFI are not claimed for reimbursement from another source, the CFI will accept the remaining practices if:

- it is the normal practice of the institution for the employee providing the service or performing the work related to the eligible activity. This means that the practice used to report expenditures for a CFI-funded project must be consistent with the way expenditures are reported for similar services associated with activities that are not related to a CFI-funded project;
- the internal rate, fee or fixed percentage of construction or renovation costs used is the same as that for all other internal clients;
- the internal rate, fee or fixed percentage used is less than or equal to fair market value.

If one of these conditions is not met, then the first two practices must be used.

\(^1\) The service departments following this practice usually operate on a full cost recovery basis.

4.6.2 Construction and renovation

Infrastructure projects may involve the construction of a new building or the development of new space in an existing building (e.g. new floors, reconfiguration of existing space) only when new space is essential to house and use the eligible infrastructure requested in the proposal. Instalments for the equipment to be located in the constructed or renovated space will be paid only once the space is ready to house the equipment. Where there is
an option to either renovate an existing building or construct a new building, the most cost-effective option must be chosen.

Eligible costs

- Direct construction or renovation costs, soft costs (e.g. site development and planning, architectural, design and other services, permits, insurance) and contingency costs (amount budgeted for unforeseen expenses; not to exceed 10 percent of the construction costs) for:
  - space to house the infrastructure (e.g. laboratories, animal facilities, computer rooms, greenhouses);
  - space to use the infrastructure or conduct research (e.g. workstations, storage areas, technicians’ offices, interview rooms);
  - additional space to house and use other eligible infrastructure (i.e. not part of the current proposal) that is essential for the use of the requested infrastructure. The primary justification for any constructed or renovated space must be the housing and use of the requested infrastructure;
  - essential (i.e. as required by building codes) common elements (e.g. custodial areas, circulation areas, stairways, elevator shafts, mechanical and utility areas, space occupied by structural features, such as fire walls).

- Costs related to the essential modification of the space immediately adjacent to the CFI-eligible constructed or renovated space that are a direct result of the construction or renovation of the eligible space.

Expected price fluctuations from the time of the application to the start of construction should be included in direct and soft costs (i.e. not part of the contingency costs).

Non-eligible costs

- Direct construction or renovation costs, soft costs and contingency costs for:
  - space for non-research use (e.g. administration, teaching and clinical services);
  - space to house non-eligible equipment;
  - office space for faculty, administrative staff and students;
  - space for meeting or conference rooms.

- Costs to relocate existing tenants
- Landscaping costs
- Art collections
- Administrative costs
**Requirements at the application stage**

When a proposal is submitted, an infrastructure project that includes construction or renovation must be developed well beyond the conceptual stage. The CFI expects the institution to have defined the needs for the building, explored and decided upon the most feasible option and determined reliable estimates of the construction or renovation costs (e.g. estimates by a quantity surveyor or contractor, use of industry standards, recent experience with a similar construction or renovation).

The CFI expects the institution to start the construction or renovation component of a funded project within 18 months of the funding decision. Within this time frame, the institution must have finalized contracts for construction or renovation and must have begun the construction or renovation work. When a project involves multiple sites, the construction or renovation on every site should start within 18 months of the funding decision. While the CFI recognizes that some projects may involve large and complex construction or renovation components, the institution is expected to have completed planning and development work for such projects at the application stage.

For all construction or renovation projects, the institution must provide:

- a complete description of the entire new space, including common elements (e.g. corridors, washrooms). The description should include the location(s), size and nature (e.g. wet lab, dry lab, office, greenhouse) of the new space;
- a detailed breakdown of the overall cost of the construction or renovation project, categorized by cost component (i.e. direct costs, soft costs and contingency costs);
- a timeline identifying key dates for the various stages of the proposed construction or renovation;
- floor plans of the proposed new area(s), showing the location of the infrastructure and the scale of the plans (when construction or renovation involves multiple rooms).

**4.6.3 Databases and digital libraries**

A research database is a systematic collection of information that is designed and structured for access and use as a research tool. It may be housed in one central location or distributed across a network. For the purpose of these guidelines, a digital library is considered to be a database. CFI funding will focus on either the acquisition of a database or the time-limited design and development of a database to the point that it is ready for use by a designated research community.

**Eligible costs**

- Computers, communications hardware and software
- Purchase of existing datasets or digital collections
- Technical or professional work required for the time-limited design and development of a database to the point that it is ready for use by a designated research community, including:
  - data cleaning (i.e. verification, editing), coding, format conversion, data entry and data transfer;
  - design, development, beta testing, piloting, commissioning and integration of the database;
  - merge and organization of existing data that are not already in usable reference units;

Source: CFI Policy and Program guide MAY 2013
(http://www.innovation.ca/sites/default/files/essential_documents/Policy_and_program_guide_en.pdf)
• customization of tools to enhance value for the user (e.g. intelligent search).

• Development of user guides
• Construction or renovation of a facility to house and use the database

Non-eligible costs
• Research costs to produce a dataset or database, including:
  ° primary data collection;
  ° questionnaire development;
  ° survey protocol design;
  ° development of sampling methodologies;
  ° fieldwork;
  ° conduct of surveys and interviews.

• Non-technical personnel costs (e.g. privacy officers, security auditors, security personnel)
• Routine update of a database
• Fees for accessing a database for research use
• Research activities using the database
• Construction or renovation of conventional libraries
• Costs to maintain library collections
• Conventional collections

4.6.4 High performance computing

The CFI expects high performance computing (HPC) infrastructure to be housed and managed by Compute Canada. Therefore, an institution wishing to request HPC infrastructure must develop its proposal in collaboration with Compute Canada. For the purposes of these guidelines, HPC infrastructure encompasses any computing system with capabilities larger or more powerful than those typically available in a standard desktop system. Such HPC infrastructure normally includes systems or resources such as the following:
• Capacity or throughput computing
• Capability computing supporting tightly coupled, fine-grained applications
• Shared memory systems
• Systems supporting very large memory requirements
• High performance storage

Long-term storage
• Cloud computing
• Computing using specialized accelerators including GP-CPU and others
• High performance visualization systems
• Systems suitable for computational steering and interactive use

Typically, such systems cost more than $50,000. In each case, the term HPC encompasses both the software and environment needed for a given discipline to effectively utilize these types of infrastructure and needs such as high levels of data security and integrity as may be required by specific disciplines or researchers.
4.7 Eligible costs for Infrastructure Operating Fund (IOF)

Under the Infrastructure Operating Fund (IOF), the costs of operating and maintaining CFI-funded infrastructure are eligible. Unlike the majority of CFI’s programs, no partner funding is required. An eligible operating and maintenance cost for the IOF must meet the following conditions:

- the infrastructure item to which it relates must have been funded by the CFI (i.e. it appears on the proposal or updated budget and/or the final financial report);
- the CFI-funded infrastructure project to which it relates must have been approved after July 1, 2001. However, projects funded under the Canada Research Chairs Infrastructure Fund and the international funds are not eligible for IOF;
- the CFI-funded infrastructure project to which it relates must have passed the stage of award finalization. An Award agreement is thus in place for the project;
- the operating and maintenance activities are needed to ensure the infrastructure can be used to carry out the proposed research;
- the infrastructure must still be used for research purposes. There is no maximum number of years for which the IOF can be claimed, as long as the infrastructure is still being used for research purposes during the period claimed.

Only the portion of operating and maintenance costs associated with research is eligible.

Eligible costs

- Salaries (including benefits) of highly qualified personnel (technicians or professionals) directly involved in the operation and maintenance of the CFI-funded infrastructure. The full salary of the highly qualified personnel may be eligible if the infrastructure cannot be operated without their assistance.
- Training for the main operator(s) of the research infrastructure, not included in the infrastructure award. It is expected that the main operator(s) will train other users. Alternatively, a group training session may be provided by the vendor at the institution.

Extended warranties and/or service contracts not included in the infrastructure award

- Extensions to warranty coverage and software licences
- Maintenance and repairs
- Replacement parts
- Replacement of a CFI-funded infrastructure item needing repair, only if the replacement is more cost-effective than the repair (the replacement item must have similar functionality)
- Services (e.g. electricity, security, cleaning) that directly support the CFI-funded equipment or CFI-funded constructed or renovated space (only the portion attributable to the CFI-funded infrastructure is eligible)
- Supplies and consumables needed to operate the research infrastructure (not to exceed 10 percent of the cumulative total IOF claimed by the institution)
**Non-eligible costs**

- Purchase or lease of real property
- Cost of equipment, installation and construction or renovation deemed eligible under an infrastructure award
- Upgrades related to the infrastructure
- Extended warranties and/or service contracts included in the infrastructure award
- Telephone, internet and cable or satellite television services that are not necessary to ensure the infrastructure can be used for research
- Insurance
- Costs not directly related to the CFI-funded infrastructure (e.g. maintenance contract for equipment not acquired through a CFI-funded infrastructure project that is eligible to receive the IOF, services related to space for which the CFI has not funded the construction or renovation)
- Trainee stipends (undergraduates, graduates and post-doctoral fellows) and researcher salaries
- Administrative, secretarial or clerical personnel not directly related to the operation and maintenance of the infrastructure (e.g. research services office, library, finance services)
- Any cost to conduct research activities
- Costs attributed to the dissemination of information such as promotion, publications or conferences
- Expenditures reimbursed by another source