



## **FREQUENTLY ASKED QUESTIONS MATCHING FUNDS**

Texas law states that “before the oversight committee may make for cancer research any grant of any proceeds of the bonds issued [from the Cancer Prevention and Research Fund], the recipient of the grant must have an amount of funds equal to one-half of the grant dedicated to the research that is the subject of the grant request.”

Consistent with its authority to interpret statutory requirements, CPRIT has proposed an administrative rule (proposed § 703.11) that provides additional guidance for grant applicants related to matching funds. The text of the proposed matching funds rule, as well as other grant procedure rules, is available at the CPRIT website ([www.cprit.state.tx.us](http://www.cprit.state.tx.us)). The proposed rule is expected to be final by November 10, 2009. CPRIT does not expect the text of the matching funds proposed rule to change substantially before it becomes final. The guidance provided in this document is based on the text of the matching funds proposed rule.

This document may be updated to respond to additional questions. Applicants with questions about matching requirements are encouraged to check updates to the “Frequently Asked Questions Related to Matching Funds” at the CPRIT website.

**Updated: August 21, 2009**

### **How can a CPRIT research grant recipient fulfill the matching requirement?**

Institutions, not individuals, are the recipients of most grants. CPRIT's proposed rule (§ 703.11) requires that at the time of the grant award (and then annually for multi-year awards), the academic health institution, university, government organization, non-government organization, public or private entity, or individual certifies: 1.) that it has funds, not yet expended, that equal one-half of the grant award(s); and 2.) that those funds will be spent on the same area of cancer research that is the subject of the grant. For purposes of this requirement, the applicant may rely upon a "Notice of Grant Award" to demonstrate funds that have been awarded and encumbered but not yet received by the applicant.

### **At what point in the grant process is the applicant required to demonstrate that it is able to meet the matching requirement?**

The matching requirement must be met before the CPRIT grant is officially awarded to the recipient. An applicant is not required to provide documentation of the ability to meet the matching requirement when the CPRIT grant application is submitted. However, all applicants should be aware of the law and be prepared to demonstrate compliance before receiving a CPRIT grant.

### **What does it mean that available funds must be spent in the same area of cancer research?**

§703.11 provides five categories of cancer research that encompass most cancer projects. The subject matter of the grant and the recipient's available funds must be grouped in the same category.

The categories are:

- Cancer Biology and Genetics (includes molecular characterization of tumors)
- Cancer Immunology (includes vaccines)
- Cancer Imaging and Diagnostics
- Cancer Epidemiology, Population Research, Behavioral Research, and Outcomes
- Cancer Treatment (includes drug discovery and development and clinical trials)

### **Are the matching funds required to be associated with the same principal investigator?**

No. Institutions, not individuals, are the recipients of most grants. For the matching requirement, the funds available to be spent on cancer research are measured at a category and institutional level, not by principal investigator. For example, this means that all money to be spent by the recipient institution for cancer immunology research counts toward the match for a cancer immunology CPRIT grant, even if some of the institution's money is used for cancer immunology research conducted by a different principal investigator on a different project.

**How can the recipient show that it has available funds designated to be spent upon the same area of cancer research as the grant award?**

There are at least three different ways that this can be done. An applicant can use one or more than one in combination to fulfill the requirement.

1. The recipient institution or organization can certify that it will be spending money from whatever source on cancer research in one of the same five categories as the subject matter of the research grant.
2. The recipient may also rely upon funds received from other sources (federal, state, or non-governmental) for cancer research in the same category as the grant.
3. The recipient can satisfy some portion of its match requirement (up to 10% of the total grant award amount) by demonstrating that the recipient's own money will be spent on costs not directly associated with a specific project but are nonetheless true costs (*e.g.* security, utilities, business office administration.) These indirect costs may not be recovered with CPRIT funds and the recipient must have a documented federal indirect cost rate or a rate that has been certified by an independent accounting firm.

For example, the recipient of a \$2 million one-year grant for research into cancer vaccines meets the requirement if the recipient institution certifies that it has budgeted and/or received other funds totaling at least \$800,000 for cancer immunology research over the next year and will spend at least \$200,000 on unrecovered indirect costs associated with the CPRIT research project.

**How do the indirect costs used to satisfy the match requirement reconcile with the law instituting a five percent cap on the amount of CPRIT grant funds that may be spent on indirect costs?**

Texas law prohibits a CPRIT research grant recipient from spending more than five percent of the grant proceeds on indirect costs. To the extent that the recipient relies upon unrecovered indirect cost expenditures to satisfy the matching funds requirement, these funds are the recipient's own money and are not grant proceeds.

**If the recipient is awarded a CPRIT grant for a multi-year research project, is the recipient required to show dedicated funds for the entire project at the time of the award?**

No. The recipient may demonstrate available funds on a year-by-year basis. For example, if the research grant is awarded for a five-year project where the recipient will receive \$2 million each year, the recipient's match requirement would be \$1 million for each year of the project, to be demonstrated at the time of each annual progress report.