

## **Frequently Asked Questions for MPCs**

Find answers to the most frequently asked questions about the SR&ED process, approvals, and eligibility criteria for Canadian doctors.

### 1. How do I know if I'm eligible for SR&ED?

If you're an incorporated doctor with an MPC, you already have the potential to be eligible. If you practice in a field of medical specialty, or if you pursue formal research, your chance of eligibility is very high. We are going to look for projects or work that legitimately meets the criteria of the program, which is best understood as: "an advancement in knowledge in a field of medicine". An SR&ED Analyst at Bond will provide you with a full assessment and opinion on eligibility for retroactive and future projects, as part of your process and engagement with us.

### 2. Do I need to be incorporated?

Yes. This program is not designed for sole proprietors. If you incorporate now, you could be eligible next year.

### 3. Is this a time-consuming process? How much time do I need to devote to SR&ED if I want to engage with the process? I'm very busy.

Bond will handle most of the heavy lifting of this tax process. After you engage, a dedicated SR&ED Analyst will need at least one hour of your time for a discovery interview. If you have published work, less time with us may be required. You do need to produce some financial source documents, and sign the consent form, ... and then we'll take care of the rest. You'll receive a Start-Up Kit that describes the whole process after you sign up and formally engage with us.

(hint: watch the testimonial videos where this is discussed.)

### 4. Will I get a real cash refund, or just a tax credit?

The SR&ED program is retroactive and truly refundable. If you are up to date with all your

government filings and remittances with CRA, you will receive a real cash refund, cheque or direct deposit, even if your MPC isn't profitable. Your dedicated SR&ED Analyst will review all taxation issues with you. After your case is approved, we will provide you with a full tax reconciliation to explain your refund. If you owe taxes, CRA will transfer to your other tax accounts. If you are delinquent on remittances, CRA will hold your refund.

#### 5. What are my chances of audit or denial?

Bond's track record of MPC approvals over the past 8 years is 100% Accepted As Filed. If you engage with the MPC SR&ED Experts at Bond, your chance of audit or denial is exceptionally low. However, if your case is selected, we provide full audit support.

#### 6. If I do get audited, what happens?

SR&ED is not a general audit of your tax return. The SR&ED reviewers are only looking at the expenses and projects of the current claim that is active in the system (not prior work approved in the past). Don't worry at all - we provide full audit support. The SR&ED Evidence Coordinator will be assigned to your case, and we'll be with you every step of the way.

#### 7. I've heard others were denied. Why is that?

SR&ED is an area of expertise. Many claimants attempt to fill in the forms themselves without really understanding eligibility of projects or expenses. Other SR&ED firms don't specialize in MPC/medical, so their cases are often audited and denied.

Common reasons for denial include: submitting ineligible projects in a field of social science instead of medical science; failing to analyze eligible SR&ED time correctly; including and claiming ineligible expenses; and/or being too aggressive, triggering audits and denials.

#### 8. Can CRA reverse their decision after I'm approved?

No. SR&ED is a unique tax process. CRA cannot legally re-open an SR&ED case after it's officially approved, even if it's Accepted As Filed. This is distinct from the rest of your tax return, where CRA reserves the right to request evidence from prior year tax returns - that

won't happen with SR&ED, we promise. When we inform you that your SR&ED has been approved, that's locked in for good and cannot be re-opened or reversed, ever.

#### 9. How long is CRA processing time after my case is submitted?

First time claimants may experience longer processing time, ie. 60-120 days. But repeat claimants benefit from rapid processing times, 15-45 days. Processing times can be more efficient if we can joint-file with your corporate tax return, cooperating with your regular corporate accountant.

If you're a first-time claimant, we may be able to submit a double claim for your first round of SR&ED.

#### 10. Will I get a real cash refund, or just a tax credit?

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#### 11. Do I pay Bond on the value of R&D expenses claimed?

No. We bill you on the actual value of the tax credit or refund that is applied to your account. Your SR&ED Analyst will provide a fully comprehensive and transparent break down when your tax analysis is complete.

#### 12. What's the value of the average SR&ED claim?

For MPCs, average claim values range between \$25K - \$150K per fiscal year.

#### 13. I received government grants for some of my research. Is that okay?

Your SR&ED Analyst is an expert with these factors. We're experts at separating your clinical time, your time related to work covered by grants, and your independent research

time. SR&ED policy and best practices exist for these scenarios - we will carefully assess your case to identify only eligible expenses that will be approved by CRA. Don't worry.

14. I received dividends from my MPC. Is that okay?

Dividends are never eligible for SR&ED. Wages are eligible. Your dedicated SR&ED Analyst will talk to you about the cost benefit relationship of regular wages vs. dividends.

15. Can I claim my research assistants or other staff members?

Your SR&ED Analyst will provide a full opinion of what expenses can be claimed. Directly engaged scientific or technical staff can be included, if we determine that the work was commensurate with the needs of your studies.

16. Can I claim travel expenses, meals, attendance of medical conferences?

No.

17. Can I claim research where I collaborated with other researchers?

Yes.

18. Why does the contract cover 3 years?

SR&ED is a strategic endeavour. Bond invests in our client's SR&ED program, with a great deal of up-front education, advice and tax planning. It's just not realistic for us to invest that effort for a single business transaction. With a 3-year commitment, we can build rapport, build your SR&ED tax and eligibility strategy, and ensure our clients achieve long term success with the program. The vast majority of our clients renew for multiple terms. We have clients that have been with us for over 15 years. But after your first 3-year term, there is no obligation to renew with Bond, and no penalties for cancellation.

19. What's the difference between your Regular Path and the Fast Track Process.

The only real difference is the attendance of an introductory 30-minute group info session on-line, that we offer four times a day, 5 days a week. After you sign up with Bond, everything else is exactly the same.

For the Fast Track Process, you can bypass that info session. If you feel comfortable with all the materials that you've reviewed, you can request an engagement contract with the guide, without delay, and sign up through DocuSign - your case will be assigned to the Bond SR&ED Department right away.

If you have a lot of questions or concerns about our no-risk contract, eligibility, unique tax scenarios, then please feel free to attend the info session with Q&A opportunity, at no cost of course, and then your SR&ED Assessment Specialist will take care of your engagement process.