

**Welcome to the NBMS  
SR&ED Awareness Webinar  
with Bond Consulting.**

**We'll be getting started shortly...**

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# SR&ED for MPCs

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**WITH JULIE BOND,  
THE SR&ED WHISPERER**

BOND CONSULTING GROUP  
CANADIAN SR&ED TAX EXPERTS



# Julie Bond

## PRESIDENT

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Julie is one of the top SR&ED specialists in the country, with almost two decades of experience working in SR&ED and has personally prepared and supervised **3000+ successful SR&ED applications**

Since 2005, over **\$300 Million in SR&ED** refunds have been approved for Bond clients



# Agenda

## Info Session: 30 mins

1. About SR&ED
2. SR&ED Statistics
3. Misconceptions: Medical Sector
4. Tax Credit vs Grant
5. Program Criteria
6. Eligible Medical sectors – Examples
7. Eligible Vs Ineligible projects
8. Social Studies Vs Medical Studies
9. Eligible Activities
10. Approvals
11. So, is it worth it?
12. Eligible Criteria for Expenditures
13. SR&ED Submissions- credits, forms, rates
14. Tactical Considerations
15. SR&ED Claim Process
16. Audit Process
17. Rates & Discounts Explained
18. NBMS Group Discount Code
19. A bit more about Bond!

## Q/A Time: 15 mins



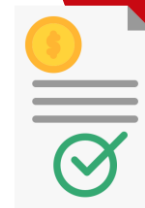
# About SR&ED



The government of Canada through CRA, provides **cash refunds** to encourage Canadian companies to seek **advancements in knowledge in a field of Science, Medicine, or Technology**



It's the largest and most generous corporate tax incentive program in Canada



Many incorporated Doctors QUALIFY for the SR&ED Program



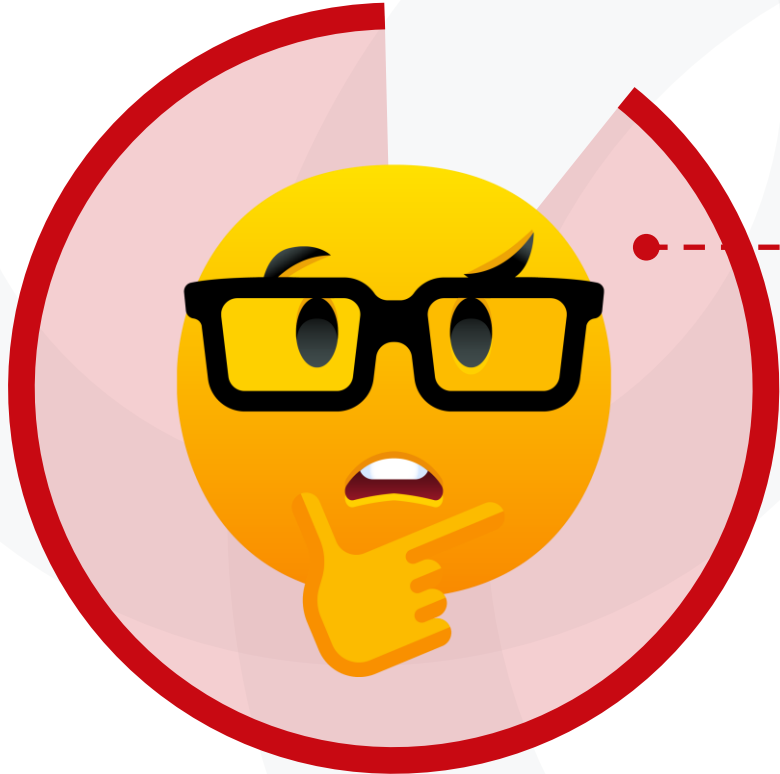
By positioning your work as **“an advancement in knowledge in a field of medicine”**, your MPC could be entitled to large government refunds

**Most Incorporated  
Medical Doctors (MPCs)  
practicing in a field of  
medical specialty  
qualify for the  
SR&ED program**

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# SR&ED Statistics



- ▶ At least **97%** of eligible businesses in the medical sector fail to claim their benefits

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- ▶ Typical SR&ED claims in the medical sector range from **\$25,000** to **\$150,000** per year

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- ▶ These are **real cash refunds** payable to the MPC

# SR&ED Statistics

There are more than **90,000 Medical Professionals** in Canada; **45,000** of them practicing in a field of medical specialty

However, **fewer than 3%** of eligible MPCs claim their benefit\*

*\*Annual volume of SR&ED Claims from all Industries combined is 28,000*



I'm not doing research!

Misunderstood!

Common problem

My accountant never told me...



SR&ED is JUST a tech program

Wrong!

Wrong!

Doctors are not eligible!



**Misconceptions:**  
**Why aren't more medical professionals claiming?**

# Misconceptions



**It's not a grant, SR&ED is part of the corporate tax return**

- No need to be profitable to take advantage of this tax credit program



**SR&ED applications do NOT lead to general audits**



**SR&ED division separated from CRA Audit**



# Tax Credit vs Grant



## GRANT

- Discretionary approval
- Programs come and go
- Criteria change
- Budget limits
- No appeal process



## TAX CREDIT

- Entitlement program
- Stable program
- Fixed criteria
- No budget limit
- There is an appeals process

# Program Criteria

▶ Scientific  
or medical  
uncertainty

*Plus,  
technical  
content*



▶ Scientific or  
medical  
advancement



▼  
Systematic  
investigation

# Eligible Medical Sectors

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# ▶ Basic Medicine

- Anatomy and morphology
- Human genetics
- Immunology
- Neurosciences
- Pharmacology and pharmacy and medicinal chemistry
- Toxicology
- Physiology and cytology
- Pathology



# ▶ Clinical Medicine

- Andrology
- Obstetrics and gynecology
- Pediatrics
- Cardiac and cardiovascular systems
- Hematology
- Anesthesiology
- Orthopedics
- Radiology and nuclear medicine



# ▶ Clinical Medicine (continued)

- Dentistry, oral surgery, and medicine
- Dermatology, venereal diseases, and allergy
- Rheumatology
- Endocrinology and metabolism and gastroenterology
- Urology and nephrology
- Oncology



# ▶ Health Sciences

- Health care sciences and nursing
- Nutrition and dietetics
- Parasitology
- Infectious diseases and epidemiology
- Occupational health

## **Other medical studies**

- Forensic science
- Other medical sciences



# ▶ Family Medicine

## Eligible Projects

- Formal Research
- Formal clinical trials
- In-house informal clinical trials
- Epidemiology studies



# Eligible **vs** Ineligible Projects

## Ineligible projects

- ✗ Routine client visits
- ✗ Routine clinical diagnosis
- ✗ Routine lab tests
- ✗ Routine documentation and patient records
- ✗ Social studies, psychology, economics, gender studies

## Eligible projects

- ✓ Epidemiology studies
- ✓ In-house informal clinical trials
- ✓ Formal clinical trials
- ✓ Critical Analysis of medical trends & relationships between biomedical factors

# Medical professionals that may be eligible for SR&ED



All Medical Specialists  
& Family Doctors



Incorporated Naturopaths



Incorporated Academics

# Social Studies vs Medical Studies

- ▶ *Sometimes Doctors submit claims for projects that do not qualify*
- ▶ *This leads to denials*

## Examples:

- Studies about the medical system, efficiencies, hospitals, staffing, public health, economics
- Are patients likely to follow a treatment regime?
- Projects that fall under the category of psychology, and the study of behaviours
- Evaluating regional hospital wait times
- Socio-economic studies



**In order to qualify, a clearly defined hypothesis in a field of medical science must be identified**



# Eligible Activities

All work that is commensurate with the needs of a study, that results in an **advancement in knowledge in a field of medicine, technology or science**

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# Eligible Activities



- ✓ Design of hypotheses, protocols & methods
- ✓ Data collection, data management, data analysis
- ✓ Retroactive chart reviews, academic studies
- ✓ Prospective clinical studies
- ✓ Formal and informal clinical trials
- ✓ All time commensurate with the needs of the study

**Cardiologist**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Anesthesiologist**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Dermatologist**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Neurosurgeon**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Anatomical Pathologist**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Pediatrics**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Haematologist**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Plastic Surgeon**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

**Orthopedic Surgeon**  
SR&ED Claim Approved



**SR&ED DOCTORS** The SR&ED Experts **APPROVED**

# Approvals

# So, is it Worth it?

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On average, SR&ED Claims  
for MPCs range from  
**\$25,000 - \$150,000**  
**per year**

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## Surgeon (NB)

<b>SALARY</b>	<b>\$400,000</b>
<b>SR%</b>	<b>25%</b>
<b>=</b>	<b>\$100,000</b>
<b>REFUND</b>	<b>\$69,362</b>

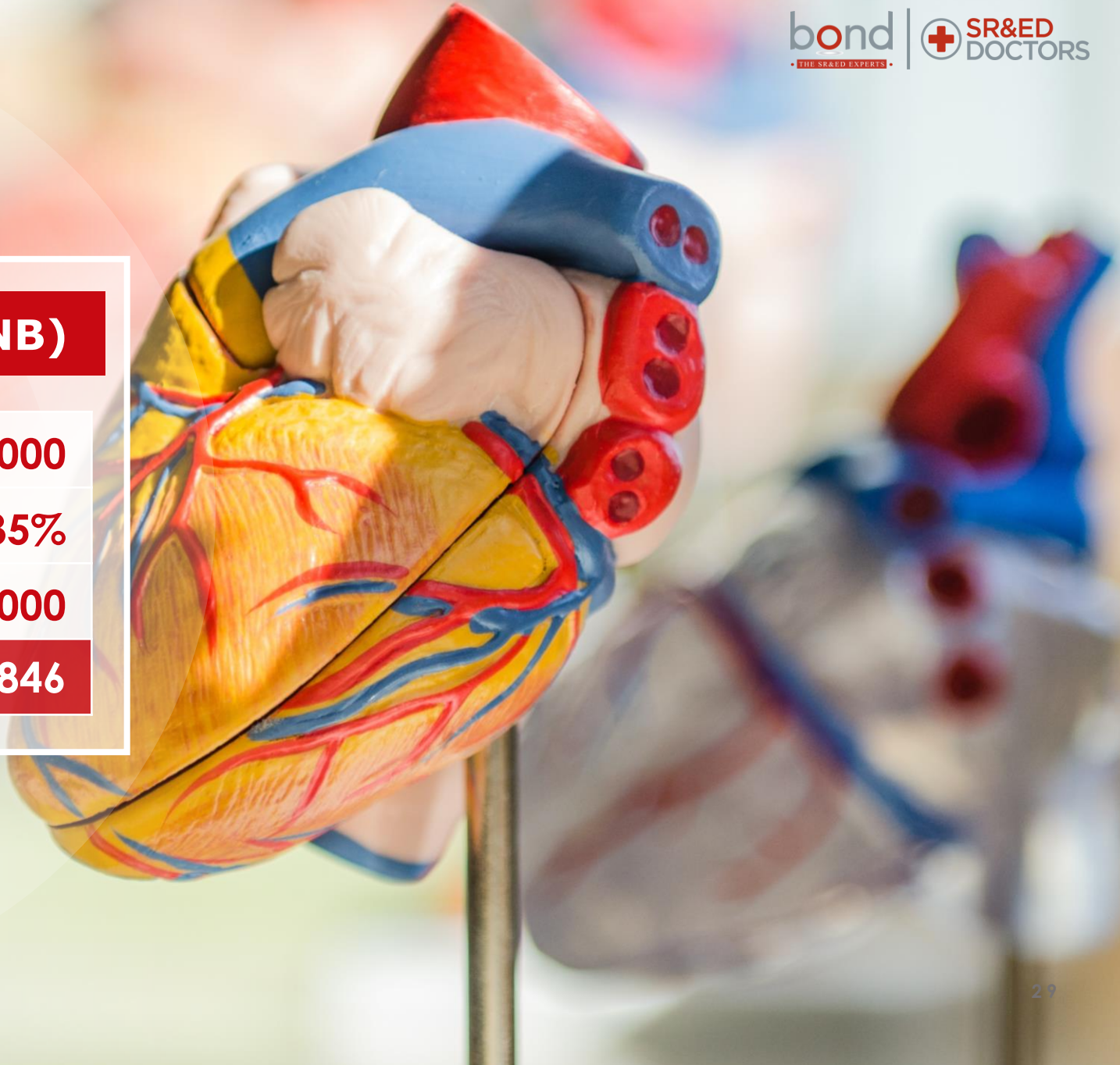


## Orthopedic Surgeon (NB)

<b>SALARY</b>	<b>\$500,000</b>
<b>SR%</b>	<b>30%</b>
<b>=</b>	<b>\$150,000</b>
<b>REFUND</b>	<b>\$104,043</b>

## Academic, Cardiologist (NB)

<b>SALARY</b>	<b>\$600,000</b>
<b>SR%</b>	<b>35%</b>
<b>=</b>	<b>\$210,000</b>
<b>REFUND</b>	<b>\$137,846</b>



# Eligible criteria for expenditures



## Wages

Doctor plus supporting clinical staff  
Majority of the expense in an MPC claim



## Subcontractors (SR&ED Contracts)

Must be performing research directly on behalf of the MPC

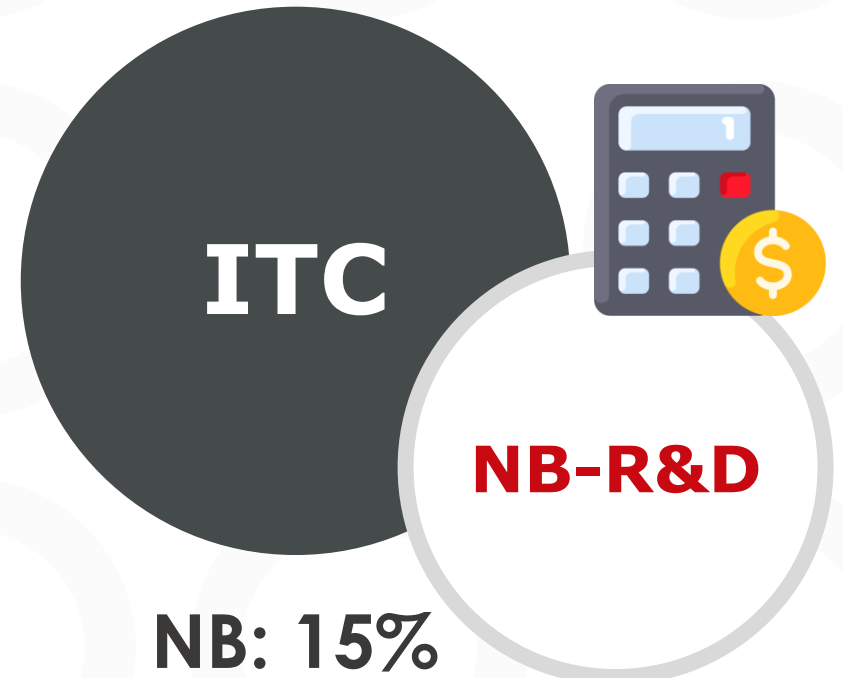


## Overhead

Automatically calculated through the proxy

# SR&ED submission: **the credits** in New Brunswick

- ▶ **ITC**  
Investment Tax Credits
- ▶ **NB-R&D**  
Provincial Investment Tax Credits



# SR&ED submission: **the forms**



- T661 + detailed project descriptions
- Schedule 31
- Schedule 360 (New Brunswick R&D Tax Credit)
- Schedule 1 + adjustments
- Tax return
- Financial Statement

# SR&ED submission: **the rates**



Federal refund rate is usually  
**35% of eligible expenditures**



Subcontractors get  
**marked down by 20%**



Labour expenditures get  
**marked up by 55%**



The provincial credits  
**are always refundable**

# Tactical Considerations



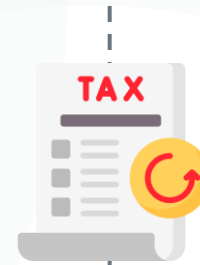
Must be incorporated



T4 income is the most generous part of the program



Dividends are not eligible



Part of the Corporate tax return



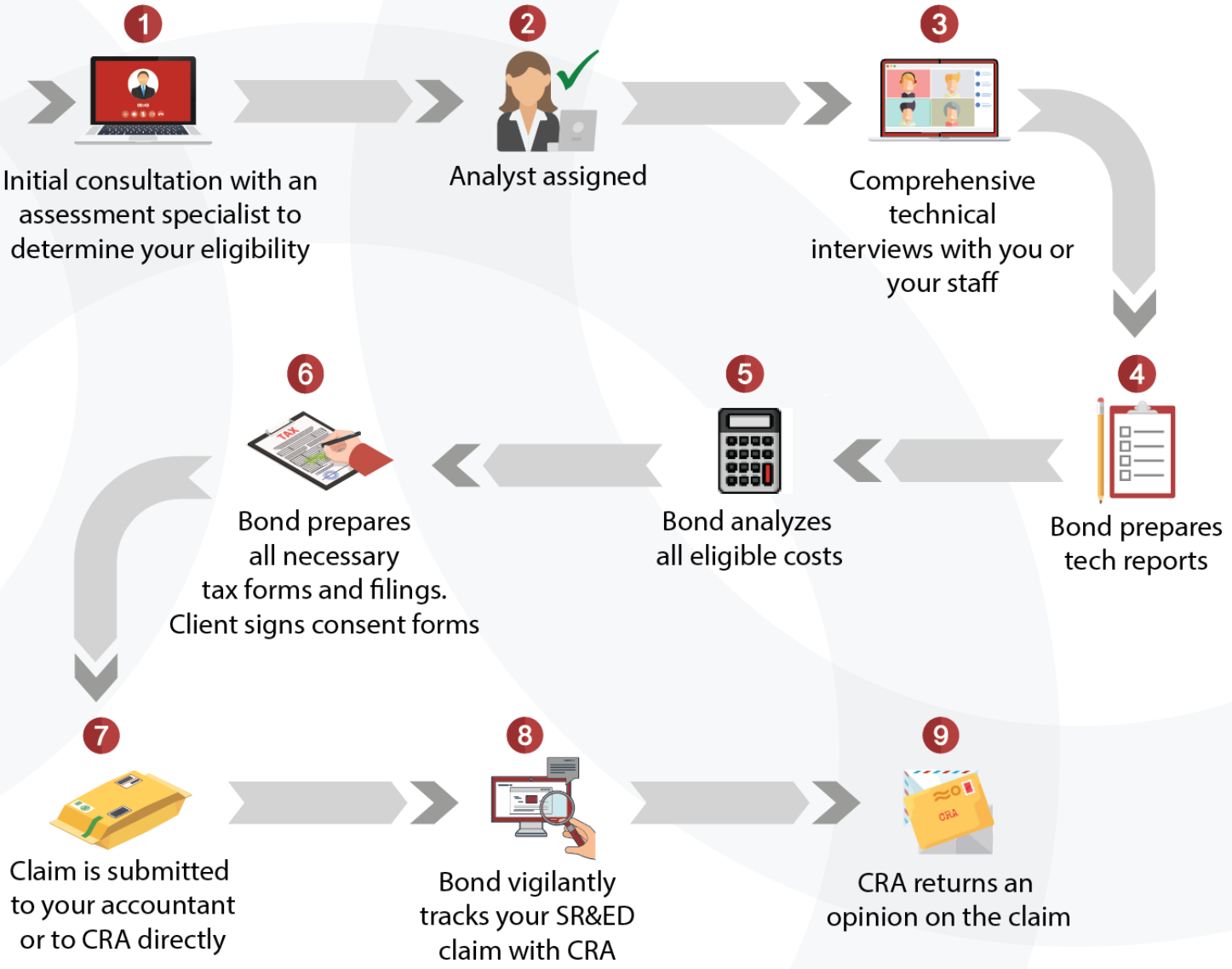
You can go back 2 years to file an application



18-month deadline for filing

# SR&ED Claim Process

**100% of Medical Applications prepared by Bond have been Accepted as Filed.**



**\*FTCAS** (First-Time Claimant Advisory Service) FTCAS represents a guaranteed CRA Approval. This is not an audit.

**\*CRA Review** You have been selected for full review, technical and/or financial. Don't worry. Bond will be there to support and represent you. Clients do not attend audits without Bond.

*The possible outcomes are the following:*

- #1 Claim accepted as filed


- #2 FTCAS\*


- #3 CRA Review\*



# Rates & Discounts Explained



No upfront fees



No risk contract :

If there is no refund or approval, our services cost you nothing



20% standard Bond Fee

- Other discounts kick in for larger claims
- NBMS Group Discount

NBMS Members will receive between **\$250 - \$750** off of their professional services fee depending on the size of their SR&ED refund, for the **first three consecutive transactions** with Bond.

## Discounts for NBMS members

- **\$250** discount if approved claim is **below** \$50k
- **\$500** discount if approved claim is **between** \$50k – 100k
- **\$750** discount if approved claim is **over** \$100k

# NBMS Group Code

Members can receive between **\$250 - \$750** off their professional services fee depending on the size of their SR&ED refund, for the **first three consecutive transactions** with Bond.



**GROUP CODE**

**NBM-NB-WB**

# Contact Us

Visit [nbms.nb.ca/scientific-research-and-experimental-development-benefits/](https://nbms.nb.ca/scientific-research-and-experimental-development-benefits/)

to find out how to participate

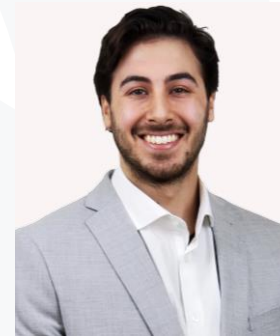
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# A bit more about Bond Consulting

OVER

20

years in business



Since 2005, over **\$300 Million in SR&ED refunds** for our clients

PROUDLY



Canadian Owned & Operated

  
Award-winning SR&ED consulting firm

**Team of SR&ED Experts:**   
Medical Scientists, Technologists, & Engineers on staff, well-versed in a myriad of technological and scientific sectors

  
Largest independent **SR&ED-only** Professional Services firm in Canada

  
Bond has an enormous amount of **testimonials**

# Thank You.

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**WE'RE LOOKING FORWARD  
TO WORKING WITH YOU!**

BOND CONSULTING GROUP  
CANADIAN SR&ED TAX EXPERTS CONSULTING FIRM

