



CFI Purchasing Information Session

Topics

- **Why do we do this?**
- **Purchase requisition**
 - Scenarios
 - Space confirmation (F&O)
 - SupplyNet
 - Purchasing documents
- **Quotes and FMV**
 - Quotes (format, good/bad), how to talk to vendors
 - In-kind and FMV assessment
- **Invoices, reporting and changes**
 - Invoices
 - Expenditure monitoring
 - Reporting (changes, annual, final, progress)
 - Analysis of Variances (Changes)
- **IOF – basic intro**

WHY DO WE DO WHAT WE DO?

- CFI has very specific guidelines
- The PI is the Project Leader
- Vice President (Research) is the Project Holder
 - Institution is accountable
 - PI is responsible
 - RSO manages the projects
- CFI funds the acquisition of infrastructure, not research



CFI Policy and Program Guide Making Acceptable Changes

- CFI Policy and Program Guide

<https://www.innovation.ca/awards/policy-and-program-guide-and-supplemental-information>



6.6.1 Changes to the infrastructure

The CFI funds specific items of an infrastructure project that have been subject to a merit-based review. As such, the institution is expected to use CFI funds to purchase the infrastructure items identified in the proposal.

Purchasing Scenarios

All purchases are done in SupplyNet
Approval chain generated automatically based on PR amount

< 25 K

- LDP (Low Dollar Purchase)
- Create PR
- PI approval
- PO (Purchase Order) will be issued and invoice paid
- Provide to RSO IK documentation, if applicable
- Note:** PI responsible for providing RSO with proper CFI documentation and retaining all LDP purchasing documentation

> 25 K

- Upload Quote in CFI Format
- Create PR
- PI Approval
- RSO approval**
- Eligibility
- Any variances: justification**
- SMS approval
- PO issued

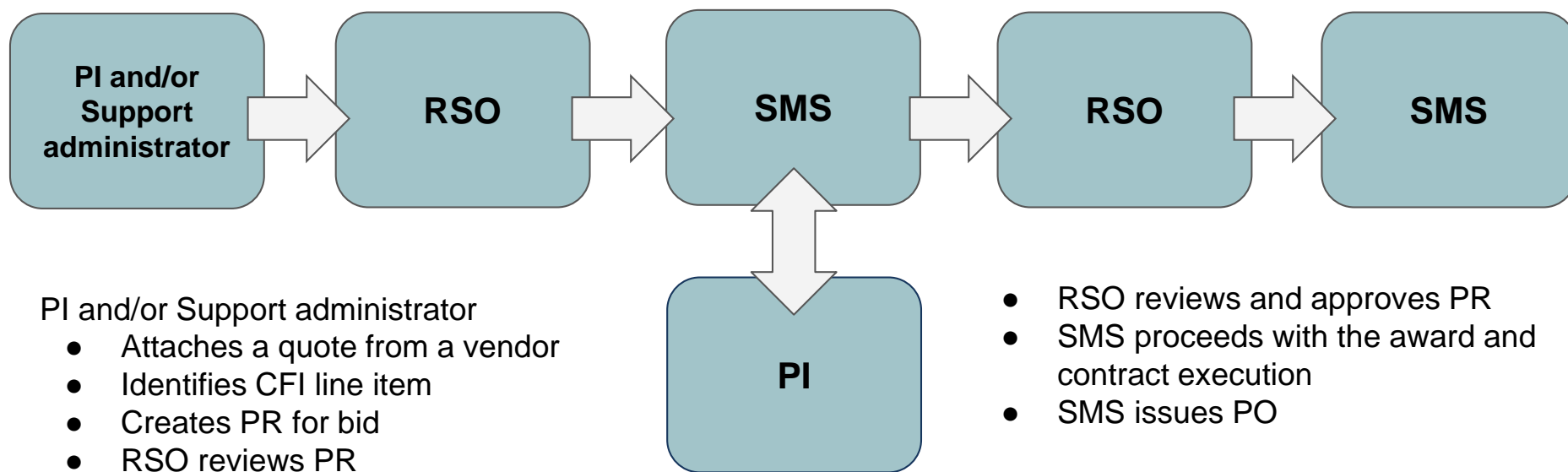
In Kind Contributions*

- FAs require purchasing documentation regardless of dollar value:
- Quote in CFI format
- Invoice

> 75 K

- Upload Quote in CFI Format
- Eligibility
- Competitive Bid Process
- PI Approval
- RSO Approval**
- SMS Approval

Purchase Above 75K



PI and/or Support administrator

- Attaches a quote from a vendor
- Identifies CFI line item
- Creates PR for bid
- RSO reviews PR
- Approves PR for bid

- RSO reviews and approves PR
- SMS proceeds with the award and contract execution
- SMS issues PO

Competitive Bid:

- SMS/PI develop and evaluate Request For Proposal (RFP)
- SMS provides proposal responses to RSO
- PR is updated to align with the accepted Bid

Facilities and Operations (F&O)

- Ensure space is ready to house your equipment before you submit a PR (Purchase Requisition)
 - Weight and size (floor load capacity typically 100 lb/ft²)
 - Shielding requirements
 - Biosafety considerations
 - Elevator capacity
 - Electrical requirements
 - Ventilation
 - and others
- Consult F&O (Alex Hatch alex.hatch@ualberta.ca) when you are ready to purchase and install. Space and equipment changes since application, F&O consultation is required
- Continue consultations with F&O as needed during the purchasing and installation process, if applicable



Equipment and Space Confirmation



As per section 4.6.2 “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”

- Ensure space is ready to house your equipment before you submit a PR
- If vendor requests 100% payment upfront contact SMS, SMS is able to negotiate various payment terms
- Prefer payment terms for CFI projects – 100% upon acceptance

Note: for longer lead times (i.e equipment and/or space) coordinate with F&O

CFI purchase in SupplyNet

SupplyNet VANESSA ▾ CART 0 HELP ▾

Home Requests Orders Invoices Inventory

Search Browse Write

Basewax plate

☒ Qty ☐ Amt

Supplier	* Commodity	Price	Qty	UOM
Dentsply Canada	Lab & Scientific Equipment ▾	10000.00 CAD ▾	1	Each ▾

Supplier Part Number Supplier Currency Internal Reference

For foreign currency suppliers, match your line currency to this currency!

Attachments
Add [File](#) | [URL](#) | [Text](#)

For SupplyNet inquiries:

e-mail: SupplyNet@sms.ualberta.ca

<http://www.sms.ualberta.ca/SupplyNet.aspx>

<https://sites.google.com/ualberta.ca/supplynet/home>

- Add internal reference
- Attach CFI quote


Matching Funds



Required to use matching funds on first purchase (if applicable). Subsequent purchasing to be split 50/50 between CFI & JEI speed codes.

- Speed codes required in supplynet
- University of Alberta matching funds (ie. start-up, department, faculty, operational, etc.)
- CFI/JEI (i.e 50/50 %)

CFI purchase in SupplyNet

 Cart Items

Add Line **Clear Cart** **View** All **Advanced** Search **Sort by** Line Number: 0 → 9

Edit Selected **Copy** **Delete**

			Billing
1	Basewax plate Dentsply Canada Ltd	10,000.00 CAD 1 x 10,000.00 CAD / Each	2 Accounts
	Commodity Lab & Scientific Equipment =>\$5000 (507012)	Payment Terms 30	Supplier Currency CAD


- Click arrows to enter distribution

- Click magnifying glass to enter VP speed codes and/or matching speed codes

Billing Account Allocations

2 Splits, 2 Accounts, 1 Periods

Basewax plate from Dentsply Canada Ltd for 10,000.00 CAD

Billing Account	Period	Amount	% of Line
None 		10,000.00 CAD	100.0%
Add split			
		10,000.00 CAD of 10,000.00 CAD	100%

Import / Export Billing **Cancel** **Save**

Communications in SupplyNet

Comments

Send Comment notification to a user by typing @name (ex. @JohnSmith)

Add Private Comment

Add Comment to Supplier

- Add comments on private mode (for only UofA staff):

At PR:

- Equipment location comment (i.e. building and room number)
- Space is ready to house the equipment
- Purchase of extended warranties

At Invoice:

- Equipment is installed and in good working order
- Location if different than originally quoted

CFI In-kind vs. Discount

Fair market value (FMV):

- Price after normal and educational discounts (prior to CFI discount)

Normal discount:

- A discount a supplier would normally apply to anybody

Educational discount:

- A discount offered to an institution due to its educational status

CFI in-kind contribution:

- A non-monetary resource offered as a contribution toward a CFI-funded project

Ref: Section 6.5 (page 39) in CFI's Policy and Procedure Guide, 2019

NOTE

- ★ Vendors are not required to offer normal or educational discounts
- ★ You may ask for an in-kind contribution from suppliers but should not ask for a specific amount or percentage

CFI In-kind vs. Discount

- The eligible in-kind contribution is equal to the fair market value of the item minus the net selling price
- In-kind contribution must be in addition to Normal and Educational Discounts
(this is why it is important that the quote specifically states whether or not there is a normal/educational discounts and what the amounts are)

List price	\$500
Normal discount	(\$20)
Educational discount	(\$80)
Price after normal and educational discounts/ Fair market value (eligible cost)	\$400
Discount offered as a contribution toward the CFI-funded project (eligible in-kind contribution)	(\$100)
Net selling price (cash consideration)	\$300

* Ref: Section 6.5 (page 39) in CFI's Policy and Procedure Guide, 2019

CFI In-kind vs. Discount

Examples of discounts that do not qualify as in-kind contributions:

- Normal/educational discounts
- Discounts due to the U of A's status as a University
- Discounts due to U of A's volume of transactions with the vendor
- Time commitments by a University of Alberta employee towards a CFI project (may still be eligible for matching contribution – cash contribution)

CFI In-kind vs. Discount

Examples of discounts that might be eligible (subject to validation) as in-kind contributions to CFI projects:

- Donation of equipment by an industrial partner/vendor
- Donation of professional services
- Extended warranties that are offered by a vendor for free
- Training and Installation

Note: All must be identified as in-kind contribution to the project

Fair Market Value Assessment

The CFI considers the Fair Market Value (eligible cost) of an item to be the price of the item after normal and/or educational discounts.

Assessment Methods (>\$25,000):

- comparison with other bids
- comparison with previous purchases (CFI and non-CFI)
- comparison with purchases from the same vendor
- comparison of similar items in the marketplace
- appraisals may be necessary for items with in-kind contributions > \$500,000 (done by CFI)



Assessment Methods (<\$25,000):

- PI driven
- Comparison with SupplyNet Punchout to verify educational price
- Comparison with information on vendor's website to verify list price

Example From An Inappropriate Quote

Example:

“Note: Vendor extends CFI cost consideration in lieu of educational discounts.”

Why is it inappropriate?

“In lieu” implies that a CFI discount is being offered instead of an educational discount. The in-kind contribution is not eligible as it is not a discount offered above and beyond an educational discount.



Other Types of Expenditures

- Travel, Expense Claims and Salary must be sent to RSO for review regardless of the dollar value
- If you have made pre-purchases, your assigned FA will work with you to assess eligibility and the transfer of these expenses to CFI projects
- For credit card purchases provide to RSO all supporting documentation (including in-kind) with CFI line identification

Online Receiving

IMPORTANT NOTICE: 3-WAY MATCH (ONLINE RECEIVING)

On December 1, 2017, 3-way match rules (Invoice - Receipt - PO) were implemented in SupplyNet and receiving is now required for all invoices.

The Requestor should do the following:

- Must confirm if equipment or components are in good working order and provide approval for payment **by using the SupplyNet comment box**
- Must “receive” goods or services in supplynet before Invoices can be processed for Payment
- Must address potential issues with invoice tags on supplynet

Invoice Payment Procedure

Vendor/SMS

Received a SupplyNet related invoice from the Supplier

- Suppliers to send invoices to the SupplyNet drop box at **invoices@ualberta.coupahost.com**

PI

Adds commentary in SupplyNet:

- Equipment has been received via SupplyNet
- Equipment is in good working order
- All issues if any are resolved
- PI Clicks “Approve” to process payment

RSO Review and Approval

- Review Invoice and back up documents
- Ensures confirmations and approvals are received
- Clicks on the last approver to process payment

Comments between RSO and the PI should be entered with the Private setting on
Procurement Specialists may have negotiated various payment terms

[SMS Training](#)

Quarterly Expenditure Monitoring

Required for both CFI and Infrastructure Operating Fund (IOF) projects

Why do we monitor expenditures?

- To review eligibility, analyze any variances and provide justifications to CFI
- Annual reporting must be submitted to CFI by June 15th
- CFI will withhold all payments when an institution does not comply

What is required from you?

- A description of what was purchased
- What line item number the purchase corresponds with
- How it relates to the operation and maintenance of the equipment (IOF only)

Annual reporting / Forecasting

- Equipment use and location must be confirmed and reported to CFI
- Statement of work for all staff paid through CFI and IOF funds
- Remaining funds will have to be forecasted
- CFI will base their payments on your forecast information

Infrastructure Operating Fund (IOF)

- The purpose of the funding is for the operation and maintenance of CFI-funded infrastructure (section 4.7)
 - Salaries, training, extended warranties, maintenance/repairs, replacement parts, supplies, services to support infrastructure
- IOF project can be set up upon the acquisition and installation of the first piece of infrastructure
- The IOF project must be set up within two years of the final financial report submission
- Contact CS or FA CFI team for IOF application details

Financial Summary Spreadsheet

- Summarizes the Infrastructure and IOF project's financial status (expenditures, forecast and revenue)
- The format mimics the CFI report
- Researchers can request an updated version at anytime



Analysis of Variances (AoVs)

- Any Changes to your project please consult with your Contract Specialist or Finance Analyst as these changes need to be reviewed and approved before being purchased. CFI may request funds returned for any item not previously approved.
 - Equipment or component cost
 - Equipment or component functionality
 - Equipment or component removal from budget
 - Cost changes > \$50,000
- Minor changes can be approved internally at RSO, however, an increase in item quantity or a new item valued greater than \$50,000 required CFI pre-approval



Analysis of Variances (AoVs)

Questions asked when a change is requested:

- the change will not negatively impact the project
- the infrastructure is directly related and essential to the project
- all remaining items originally proposed will still be purchased
- the institution will be able to operate and maintain the infrastructure over its useful life and will assume all related costs
- the change in functionality is not detrimental to the research project
- the new or replacement item is eligible under the CFI guidelines

Contacts

Name	Role	E-mail
Nancy Klimczak	Associate Director, Research Administrative Services	nancy.klimczak@ualberta.ca
Amin Karim	CFI Coordinator & Senior Financial Analyst	amin1@ualberta.ca
Mireille Estephan	Contracts Specialist & CFI Liaison	estephan@ualberta.ca
Gareth Corry	Contracts Specialist	gcorry@ualberta.ca
Liz Huston	Contracts Specialist	liz.huston@ualberta.ca
Ryan McKenzie	Contracts Specialist	ryan.mckenzie@ualberta.ca
Gonzalo Vilas	Contracts Specialist	gvilas@ualberta.ca
Kris Biffis	Financial Analyst	biffis@ualberta.ca
Moiz Akber	Financial Analyst	akber@ualberta.ca
Yuting Hao	Financial Analyst	yhao8@ualberta.ca



Questions?