



Fair Market Value

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Today's Agenda regarding Fair Market Value (FMV)

- Registration & Coffee
- Welcome (Emi)
- Overview (MayLiza)
- Procurement as related to FMV (Shauna)
- Coffee Break (☺)
- CFI financial specifics as related to FMV (Donna)

My topics...

- A. Overview
- B. Sponsor expectations regarding Fair Market Value (FMV)
- C. When FMV assessment is needed
- D. Roles and Responsibilities in FMV
- E. Eligibility of personnel costs

Fair Market Value – What CFI expects

Procurement of Infrastructure

- Funds used effectively, economically; maximize purchasing power
- Ensure fair and transparent process
- Follow usual institutional tendering and procurement policies and procedures
- Maintain adequate financial records for a verifiable audit trail (including in kind contributions) for six years (starting at the of fiscal year to which the records relate)
- Fair market value reported is reasonable

Why are we here today?

- Findings in the 2015 CFI Monitoring visit and in annual financial reporting that FMV has not been applied consistently across the University
- Findings by Internal Audit pilot that FMV assessment and documentation is weak in some areas
- Preparing for upcoming CFI Monitoring visit in December
- Offering continuous learning/training regarding responsible management of research awards

When FMV is needed

- The optimal time for determining the FMV that is to be reported to the sponsor is at the time of purchase.
- You will have the quotes/bids at this time and utilize those for the FMV matrix form; should any questions arise then the vendor can be contacted at this time (rather than several years later at final financial reporting time)

Roles and Responsibilities in the FMV assessment process

We all have a role to play



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Principal Investigator

- technical expert on functional requirements and meeting goals of the approved application
- Work closely with Procurement Services and unit financial staff to ensure best practice procurement processes are followed, including obtain/retain documentation required (for financial reporting, IAD or CFI audit purposes)
- Completion of FMV matrix form

Business Officer/Financial support staff

- Process all transactions associated with the project
- Support the PI in the procurement and FMV assessment processes, maintaining necessary documentation for financial reporting and audit purposes
- Know and apply all relevant University and Sponsor financial administration and procurement policies

Academic Division/Unit

- Ensure appropriate support structures and control procedures in place within their unit for
 - purchasing
 - documentation management requirements
 - renovations/construction where applicable
 - long term use/sustainability of infrastructure
- Oversight of resources for asset disposal
- Oversight in non-competitive bid situations

Procurement Services Department

- Act as advisor for purchases with cash value <\$100K
- Act as coordinator for purchases with cash value \geq \$100K
- Work with RSO/ROCO/IA to develop and maintain training materials / mechanisms for divisional stakeholders
- Work closely with RSO/ROCO/IA on procurement-related aspects of sponsor monitoring visits

Research Services Office, VPRI

- Work with ROCO/Procurement/IA to develop and maintain training materials / mechanisms for divisional stakeholders
- Disseminate guidance material re CFI procurement and FMV

Research Accounting, VPRI

- Works with RSO/Procurement/IA to develop and maintain training materials / mechanisms for divisional stakeholders
- Reviews supporting documentation to ensure consistency of reported figures
- Liaise with CFI on financial reporting, procurement and FMV issues

Internal Audit

- Conducted pilot audit of CFI projects, with special emphasis on documentation of FMV with IK < \$100K
- Assist in the effective and efficient administration of research funding

Eligibility of Personnel costs for acquiring or developing research infrastructure

Salaries (including benefits) of professional, technical and managerial personnel, consultants and contractors directly involved in the design, engineering, manufacturing, installation, construction or renovation of the infrastructure.

Eligibility of Personnel costs for operation and maintenance of research infrastructure

Using IOF funds for personnel costs

- technical personnel, maintenance and repairs, and services that are directly associated with funded infrastructure and spaces

Eligible valuation of Personnel costs

Determining the value/cost usually consist of one or more of the following as examples:

- the actual salary cost of the individual plus fringe benefits, multiplied by the actual time;
- an internal rate reflecting an average salary cost plus associated fringe benefits, multiplied by the actual time;
- an internal rate reflecting an average salary cost plus associated fringe benefits plus overhead component, multiplied by the actual time;
- an approved internal fee for service;

Forms for Personnel costs

A form is provided on the CFI web site to assist in the reporting of personnel costs and document the time spent and the nature of the activities performed by an employee related to a CFI-funded infrastructure project.

A different form for personnel costs using IOF funds, also available on the CFI website, is the Certification for Salary of Technicians and Professionals.

Questions?