

VP UPDATE

A periodic update from the vice presidents of the
Canada Foundation for Innovation (CFI)

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Review of Federal support for fundamental science

Minister Duncan recently launched a [review](#) of Federal support for fundamental science. She convened a blue ribbon panel of key leaders in the scientific community chaired by David Naylor, Professor of Medicine and President Emeritus at the University of Toronto. The Panel's [mandate](#) is to examine gaps in Canada's funding ecosystem and to look at mechanisms and programs from other countries that could help us address these gaps. Many of the questions in this review are relevant to us, specifically those under the Funding facilities/equipment section. We met with the review panel on July 13 to share our perspective on Canada's funding ecosystem and its gaps and opportunities. We look forward to working with all stakeholders involved in this review over the coming months.

Building an inclusive and innovative Canada: the Innovation Agenda

Minister Bains put forward on June 14 a [vision](#) to build Canada as a global centre of innovation.

His vision builds on six areas of action:

- promoting an entrepreneurial and creative society
- supporting global science excellence
- building world-leading clusters and partnerships
- growing companies and accelerating clean growth
- competing in a digital world
- improving ease of doing business

We look forward to engaging with key stakeholders in shaping this vision, particularly as it relates to supporting global science excellence, building world-leading clusters and partnerships, and competing in a digital world.

2017 Innovation Fund competition: An Update

June 23, 2016 was the notice of intent (NOI) deadline date for the 2017 Innovation Fund competition. We are pleased to announce that we have received 392 eligible NOIs from 67 eligible institutions, requesting approximately \$1.2B in funding.

By institution type:

| Institution type | # NOIs (%) | Total cost \$ (%) | CFI request \$ (%) | Avg. CFI request \$ |
|--------------------------|------------|-------------------|--------------------|---------------------|
| Large universities | 322 (82%) | 2.91B (89.1%) | 1.09B (88.7%) | 3.4M |
| Small universities | 62 (16%) | 283M (8.7%) | 110.0M (9.0%) | 1.8M |
| Colleges and CEGEPS | 4 (1%) | 15.1M (0.5%) | 5.2M (0.4%) | 1.3M |
| Non-profit research org. | 4 (1%) | 59.6M (1.8%) | 23.8M (1.9%) | 6.0M |

By project size:

| CFI request (\$) | # NOIs (%) | CFI request \$ (%) | | | | |
|------------------|-------------|--------------------|---|-------|-------------|----------------|
| More than 10M | 11 (2.8%) | 165.9M (13.5%) | | | | |
| 6M - 10M | 25 (6.4%) | 195.8M (15.9%) | | 3M-4M | 43 (11%) | 151.9M (12.4%) |
| 4M - 6M | 73 (18.6%) | 357.7M (29.1%) | | 2M-3M | 56 (14.3%) | 137.1M (11.2%) |
| 1M - 4M | 208 (53.1%) | 459.7M (37.4%) |  | 1M-2M | 109 (27.8%) | 170.6M (13.9%) |
| Less than 1M | 75 (19.1%) | 50.7M (4.1 %) | | | | |

In an effort to encourage collaborations among institutions, a list of all NOIs submitted to us for this competition has been posted on our [website](#). This list is published to encourage institutions that have similar proposals to consider potential collaborations or joint initiatives, where

appropriate, to ensure the effectiveness and efficiency of the infrastructure. To further this objective, we may also draw attention to possible overlaps and synergies between institutions in the next few weeks. At the same time, we will give some guidance to institutions about large and complex projects that are likely to require face-to-face meetings between Expert Committees and senior representatives of the institution(s).

Finally, the 2017 Innovation Fund [Guidelines for Expert Committees](#) have also been posted on our website.

Valuation of items involving an in-kind contribution from a supplier

A few years ago, we revisited our guidelines on the valuation of items involving in-kind contributions in response to challenges posed by supplier discounts. After extensive consultations with the community, we decided at the time not to impose a limit on supplier discounts; this had been one of the options considered to reduce the valuation risk. Instead, we simplified guidelines to focus on the key principle of fair market value for all such items. We also put in place practices to help ensure the integrity of the procurement process and of the pricing information provided by suppliers, which requires a high-level of due diligence for in-kind contributions. It is the responsibility of institutions to exercise careful judgment, to recognize the risk of overestimation in certain instances and to ensure that in-kind contributions reported to us are real and properly valued.

Over the past few years, we have been closely monitoring the situation. Monitoring visits performed at institutions show us that although progress is being made on this front, many institutions have yet to fully adopt the revised guidelines.

Our current concerns include:

- Some institutions continue to ask for a mandatory 20 per cent in-kind contribution from suppliers. This sometimes takes the form of a direct solicitation (e.g. request for a mandatory percentage) in the tendering documents. The institution may ask for an in-kind contribution from suppliers but should not ask for a specific amount or percentage, since this is to be given by the supplier on a voluntary basis. Communications material for suppliers are also sometimes found to be lacking important information.

Please consult the [Items involving in-kind contributions provided by suppliers](#) document posted on our website for examples of communications with suppliers. It includes general information about the CFI and important information on in-kind contributions (e.g. the voluntary nature of in-kind contributions, what constitutes an eligible in-kind contribution and definitions of the various pricing elements). It also includes a sample certification of pricing information that can be used. This material can be included in your requests for proposals or requests for bids.

- Some institutions are not considering all readily available information when establishing the fair market value of such items, or these considerations are not documented. Readily available information can include, for example, other bids received, cash consideration paid in previous non-CFI purchases and experience with a supplier's discount structure. Revised guidelines require that all readily available information be taken into account regardless of the dollar value of the purchase. Many institutions continue to consider only the information received in other bids, and some rely solely on the value confirmed by the chosen supplier. Doing so is not sufficient.

Please ensure that your practices comply with the revised guidelines and that you document in your fair market value assessments all information considered. More information on this topic can be found in the [CFI Policy and Program Guide](#) under section 6.5.2 - *Valuation of items involving in-kind contributions and documentation requirements*. [Examples of fair market value assessments](#) can also be found on our website.

We will continue to monitor this situation over the coming year. Should some of the current challenges remain, we may consider implementing additional measures at a later date.

We have also noted that some institutions have been using redacted quotes of sales to other customers to support the fair market value of items involving in-kind contributions (i.e. quotes related to sales to other customers, provided by the supplier, where information such as the other customer name has been blacked-out to make it anonymous). The issue with redacted quotes is that it is impossible for the institution or for us to validate that such a transaction has actually occurred. If possible, this practice should be avoided.

If it is the only method available, the use of redacted quotes would only be acceptable if the supplier agrees to show the CFI (or an external auditor performing an audit on our behalf) the original non-redacted quote and related invoice in the event of an audit. We must also be able to confirm the sale and sale price with the other customer. Without the ability to do so, we will not be able to accept redacted quotes as supporting documentation. As such, we advise institutions to obtain confirmation from the supplier at an early stage that this would be possible.

Payment notifications to institutions: new CAMS feature

For greater efficiency, we are automating our payment notifications. Until now, CFI staff have been sending e-mails to designated individuals at your institution when a CFI award payment is made. Starting in August 2016, payment notifications will be automated within our CFI Awards Management System (CAMS) and sent via e-mail to the CFI Liaison and CFI Account Administrator. If other individuals at your institution need to be notified, it will be the responsibility of the Liaison and Account Administrator to forward the information to them. Alternatively, you can set up an access for these individuals in CAMS to view payment

information. You may also try enabling features in your e-mail application to automatically forward these e-mails to others. Please inform anyone that may be affected by this change at your institution.

The CFI is turning 20

We are excited for the kickoff of our 20th anniversary celebrations in September with a campaign that will highlight individuals who have been touched by research enabled by CFI-funded infrastructure. Stories supporting the campaign slogan, “Research builds *my* community,” will be prominently featured on our new corporate website, Innovation.ca (going live in late September), and in various promotional activities.

In preparation for the anniversary, we have spent the past several months working with several institutions from across the country to develop stories that illustrate our slogan. But we would like to invite all institutions to support our campaign on social media by sharing your stories of how CFI-funded research projects are having an impact on people in your communities. Simply link to your existing online stories — articles, images or multimedia — and include our campaign hashtag **#CFI20yrs**. Feel free to contact [Pierre Normand](#), VP External Relations and Communications or [Elizabeth Shilts](#), Director of Communications, with any questions about how to get involved.