

Approval Date: March 12, 2010

Parent Policy: [Supply of Goods and Services Policy](#)

## Purchase of Restricted Items Procedure (Appendix B) Ethyl and Specially Denatured Alcohols

<b>Office of Administrative Responsibility:</b>	Supply Management Services
<b>Approver:</b>	Associate Vice-President (Finance & Supply Management Services)

<b>Contact for questions about this procedure:</b>	<b>SMS Customer Service</b> 780-492-4668 customerservice@ualberta.ca
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### Overview

The purchase, possession and use of ethyl and specially denatured alcohols (SDA) are regulated by Canada Revenue Agency (CRA) under the *Excise Act, 2001* of Canada and the Alberta Gaming and Liquor Commission under the *Gaming and Liquor Act* of Alberta.

### Purpose

To provide detailed instructions to ensure the purchase, receipt, use and record retention of ethyl and specially denatured alcohols are compliant with relevant government legislation.

## **PROCEDURE**

### 1. OBTAINING USER REGISTRATION AND LICENCE

Supply Management Services (SMS) maintains separate University user registrations for ethyl alcohol and SDA as well as an industrial use license with Alberta Gaming and Liquor Commission (AGLC). The AGLC license authorizes industrial use of alcohols on the main University campus by University employees. If departments are using alcohol in off-campus locations, contact the Customs Division in SMS to update the license. Non-University entities operating on the campus must obtain their own license.

### 2. PURCHASING

- a. The ordering department must complete a *Purchase Requisition* and submit to SMS. The purchase of ethyl alcohol and/or specially denatured alcohol is not permitted by using the Low Dollar Purchase or Corporate P-Card methods.
- b. SMS issues a Purchase Order and submits the document to the supplier.

### 3. RECEIVING

- a. Delivery to the University campus is made to Central Receiving in SMS
- b. Central Receiving signs the "Excise Duty Entry" form (provided by the supplier) as received in good order and forwards the original to the Customs Division in SMS.

c. The Customs Division matches the receipt to the Purchase Order and contacts the ordering department for confirmation of receipt of the actual volume of alcohol ordered.

d. The Customs Division returns the signed Excise Duty Entry to the supplier.

#### 4. STORAGE

Alcohol supplies should be kept in secure storage within the department or lab. Misplaced or stolen alcohol does not qualify for relief of excise duties.

#### 5. INVENTORY

a. Perpetual inventory records must be maintained by the department to demonstrate that all purchases of non-duty paid packaged alcohol and SDA are used for education and research in accordance with the CRA registration. Alcohol log sheet templates for inventory are available by contacting the Customs Division.

b. Each drum/container of alcohol or SDA must have a corresponding inventory control sheet for the recording of each issue, as follows:

i. Identify each control sheet by:

1. drum/container number and lot number of alcohol/SDA

2. bond (license) number

3. strength of proof (i.e. 95%)

4. type of ethyl alcohol or SDA

5. date the drum/container was received

ii. Begin a new inventory control sheet for each new drum/container.

iii. For any issue, the following information must be written onto the inventory control sheet:

1. date of quantity issued

2. amount issued (i.e. used, spilled)

3. department/individual receiving the issue

4. balance remaining

5. initial of the staff member issuing the alcohol/SDA

iv. The inventory control sheet must be dated once the drum/container has been emptied.

v. The amount dispensed must be totaled.

#### 6. COMPLIANCE

a. The SMS Customs Division periodically reviews inventory control sheets against purchase orders and advises end-using departments of findings (i.e. inventory discrepancies).

b. CRA periodically reviews records for accuracy. Payment of excise taxes is required for all alcohol for which records of use have not been kept.

## 7. RECORDS RETENTION

a. Department Responsibility: Copies of purchase requisitions, packing slips and inventory control sheets must be retained by the end-using department or unit for six (6) years plus the current fiscal year.

b. SMS Responsibility: Copies of purchase orders and proof of receipt documents are retained by SMS for six (6) years plus the current fiscal year.

## **DEFINITIONS**

There are no definitions for this Appendix. [[▲Top](#)]

## **FORMS**

There are no forms for this Appendix. [[▲Top](#)]

## **RELATED LINKS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [[▲Top](#)]

[Excise Act, 2001](#) (Department of Justice)

[Gaming and Liquor Act](#) (Government of Alberta)