**Expense Reimbursement Guideline Checklist**

The objective of the University of Toronto’s Policy for Travel and Other Reimbursable Expenses (Travel Policy) is to define and allow for reasonable costs incurred by U of T travelers for business travel and other reimbursable expenses. The following checklist represents a summary of the Travel Policy and the guidelines contained in the Guide to Financial Management (GTFM). Please contact Financial Services if you have specific questions related to your travel expenditures.

**Impact of the Ontario Expense Directives**

In 2010, the Ontario government established new directives for open, fair and transparent financial practices at all Broader Public Sector (BPS) Organizations, including the University of Toronto. These directives require mandatory compliance by all BPS organizations. Although most of the University’s policies and guidelines contained in the GTFM already meet the new directives, the changes listed below are essential and required. These changes came into effect January 1, 2012.

- U of T is no longer permitted to provide meal or accommodation per diems to faculty/staff for travel claims expensed to any operating fund accounts; however per diems can still be expensed in other funds, if allowable under the granting agency. (See Appendix A for current rates)
- Itemized receipts for all expenses, including meals and accommodations are now required.
- Alcohol expenses are permitted for alcohol reimbursements for business entertainment with individuals who are not employees and for internal special events. Alcohol expense claims must:
  - Include detailed original receipts (see Meals and Alcohol below)
  - Demonstrate responsible and prudent use of public funds
  - Show moderate consumption and price point
  - Be allowable under individual Faculties/Divisions or granting agencies policies

**Approvals & Authorizations**

- All expense reimbursement claims require “one-up” approval
- Authorization for planned travel should be obtained before committing funds for the trip
- Approval of expense claims cannot be delegated to an “acting” position; the claim should be referred to the next level up in the approval structure
- Approval on paper is mandatory
- Expense claims for visitors and students are approved by the faculty or staff responsible for the activity of the student or visitor.

**General Guidelines and Key Principles for Reimbursable Expenses**

- Out of pocket expenses must be related to business activities undertaken on behalf of U of T
- Expenses are reasonable and appropriate for the business activity undertaken
- The most economical option has been selected under the circumstances
- Expenses are consistent and conform in all respects with the terms and conditions imposed by the funding source from which they are paid. When granting agency guidelines and terms are stricter, those guidelines will override University guidelines.
- Expenses are supported by original receipts from suppliers and clearly identify the purchase. Receipts must include proof of method of payment (Credit, Debit, Cheque, Cash etc.). If cash was paid and not indicated on the original receipt by the vendor it is the claimant’s responsibility to indicate “paid cash” on the receipt prior to submitting for reimbursement.

*UTSC Financial Service, March 2016*
Expense claim and supporting documentation should be submitted in hard copy within 3 weeks of the completion of the expense-related activity.

- The original signature of the claimant is always required. By signing, the claimant confirms that they have read the University’s regulations on reimbursement and confirms their compliance. Normally, the signature is included on the personal expense reimbursement form. If the claimant is out of the country, he/she can sign the envelope containing the original receipts when mailed for reimbursement.

### Allowable Expenses

- **Accommodations**: A detailed statement of guest charges is required as proof of stay and cost. To take advantage of corporate discounts and wholesale rates, bookings should be made through the Travel Center ([http://www.universitytravel.ca/index.php](http://www.universitytravel.ca/index.php)), as U of T maintains a corporate rate structure with many hotels throughout Canada and US. Where lodging is provided gratuitously, a gift or payment in appreciation may be made up to the level set by the University (see Appendix A for current rates), only if allowable by the funding source.

- **Air/rail travel**: The standard class of service for domestic and international flights is the least expensive economy class fare. Business class travel or premium economy travel for flights in excess of 6 hours or for medical reasons, is permitted only if pre-authorized by the Principal, Dean, Director or senior executive to whom the traveler reports. Please note that some granting agencies specifically limit air travel to lowest available fare. It is the responsibility of the claimant to provide the necessary proof of air/rail travel. It is recommended that air and rail travel arrangements be made through the Travel Center ([http://www.universitytravel.ca/index.php](http://www.universitytravel.ca/index.php)).

  A request for reimbursement for air/rail travel must include:
  - The e-ticket.
  - An original receipt that includes the method of payment and the amount paid by the traveler. If proof of payment is not indicated on the original receipt, additional proof of payment is required (e.g. copy of credit card statement).
  - At least one of the following is required in addition to the e-ticket and original receipt:
    - a boarding pass (paper or printed copy of the image of the electronic boarding pass that clearly indicates flight/train information)
    - hotel bill at the travel destination
    - taxi/transit receipts to/from the airport/train station
    - meal receipts from the travel destination
    - certificate of conference attendance

  Please note: No reimbursement can be claimed for tickets purchased with personal frequent flyer points.

- **Automobile**: A personal vehicle may be used for round trips up to 500 km, where it constitutes the most economical mode of travel or where no suitable public transportation is available. (See appendix A for current kilometrage rates, which cover maintenance, repair, towing and fuel costs.)

- **Vehicle Rental**: To take advantage of U of T discounts, reservations should be arranged through the Travel Center and payments should be made with the Corporate Travel Card ([http://www.procurement.utoronto.ca/programs-and-services/travel-services](http://www.procurement.utoronto.ca/programs-and-services/travel-services)). Eligible costs include: rental, gasoline and collision damage waiver (CDW) charges; CDW is included if rental is made with the Travel Card additional coverage should be declined.

*UTSC Financial Service, March 2016*
Hospitality (Entertainment): requires prior approval of department head and must be supported by clear documentation of the business purpose of the hospitality. Attendance at the event should be limited to participants who are expected to contribute directly to the accomplishment of the business purpose. Hospitality for university employees is permitted in unusual/special circumstances (e.g. extended work day, employee promotion or job performance (job well done), special social events and employee retirement).

Entertainment of fellow employees is considered personal and not reimbursable.

Meals and alcohol: In order to comply with the Ontario Expense Directive, detailed restaurant receipts must show:
- What food and drinks were ordered
- Include a listing of who attended and business purpose of meeting
- A credit card receipt must be submitted to substantiate the restaurant gratuity
- The most senior U of T employee attending must pay for the meal

Spousal Travel Expenses: are only reimbursable if a specific business purpose is served.

Miscellaneous Allowable Expenses
The following expenses are allowable and may require some justification of the business reason for the claim:
- Bus and taxi fares
- Conference Registration Fees
- Gratuities in addition to those considered normal
- Laundry, dry cleaning – allowable if trip is in excess of 14 days and costs are reasonable considering the purpose of the trip
- Telephone, Fax and photocopy charges – when travelling on extended business trips
- Tolls and Parking

Non-Reimbursable Items
- Traveler medical insurance*
- Excess baggage charges*
- Traffic fines
- Service charges on personal credit cards
- Personal entertainment expenses (movies, hotel exercise facilities, sporting events, magazines, books)
- Meal per diems where meals have been included in another reimbursable item (i.e. Conference fees)
- Meals while in attendance of a course, seminar or meeting on one of the three University campuses.

*For these expenses to be eligible for reimbursement written justification is required stating why these costs were specifically incurred and necessary. All other expenses in the Non-Reimbursable Items is section are not allowable.

Accounting and HST
- Expense claims must include the appropriate accounting information in order to be processed. Each expense line item should include where applicable:
  - Fund Centre
  - Fund
  - Cost center or internal order
  - Commitment item (where required)
- General ledger account number
- HST code (See Appendix B for common HST questions and information)

**Foreign Exchange**
- Where proof of the exchange rate used is not available:
  - Department should assess the reasonability of the rate by comparing it to the prevailing rate at the time the expenses were incurred

**Partial Reimbursement from Another Organization**
If the other organization requires original receipts, U of T will:
- **Accept a copy**, with written explanation of why the original receipts are required by the other organization
- **Need a declaration** that the amount being claimed from the University will not be claimed from any other organization
- **Requires that a copy of the reimbursement cheque** from the other organization accompany the request for reimbursement from U of T

**Questions About Your Expense Claim?**
Please forward your questions to: erdd@utsc.utoronto.ca
Appendix A – Current University Reimbursement Rates

*Always review the GTFM for the most up to date information


Reimbursement Rates

Note that the reimbursement rates of the granting agency guidelines (or a specific research award) will apply if they are lower than the University rates.

Use of Personally Owned Vehicle

- The kilometrage(*) rate allowed for use of a personally owned automobile while on approved University business is 54 cents per kilometre effective April 1, 2016 (see memo dated March 30, 2016)
- Note: Multiply miles by 1.609 to convert to kilometres.
- This allowance is intended to cover all automobile operating costs, including gasoline, insurance, repairs and maintenance.

Per Diem Meal Allowance

A per diem meal allowance may only be claimed for expenses funded by non-operating fund accounts where the funding is not provided by agencies or ministries of the government of Ontario or if provided under a collective agreement. The University is no longer permitted to provide meal per diems for travel claims that will be expensed in any operating fund accounts, but may be expensed in all other funds (e.g. ancillaries, trust, and research) as long as they are not funded by any agency or ministry of the Ontario Government.

A fixed allowance covering meals and incidental expenses (e.g. gratuities for housekeeping services and bellhops, etc.) may be claimed, without receipts, in lieu of specific expense reimbursement, in Canadian dollars, as follows:

<table>
<thead>
<tr>
<th></th>
<th>In Canada</th>
<th>USA or International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$11.00 CAD</td>
<td>$15.00 CAD</td>
</tr>
<tr>
<td>Lunch</td>
<td>$17.00 CAD</td>
<td>$22.50 CAD</td>
</tr>
<tr>
<td>Dinner</td>
<td>$27.00 CAD</td>
<td>$37.50 CAD</td>
</tr>
<tr>
<td>Total Daily Allowance</td>
<td>$55.00 CAD</td>
<td>$75.00 CAD</td>
</tr>
</tbody>
</table>

Please note that it is not permitted to claim a full day per diem when at a conference if the conference fees include a meal component, or if travel begins in the middle of the day.

Gratuitous accommodation
A gratuitous accommodation allowance may only be claimed for expenses funded by non-operating fund accounts where the funding is not provided by agencies or ministries of the government of Ontario or if provided under a collective agreement. The University is no longer permitted to provide accommodation per diems for travel claims that will be expensed in any operating fund accounts but may be expensed in all other funds (e.g. ancillaries, trust, and research) as long as they are not funded by any agency or ministry of the Ontario Government.

The maximum rate for accommodation with friends or relatives while on approved University business is $30.00 per night.

If a reimbursement claim for up to $30.00 per night is submitted, a receipt with the following information would be required to permit the expensing to the operating fund account and to satisfy policy requirements:

- Date(s) of the stay, and
- Signature of the host verifying the amount, up to $30.00 per night, was received.

There should, of course, be no hotel expenses claimed for the same time period.

*The term kilometrage is used throughout this guide, rather than the old term mileage.*

_Last revision April 1, 2016_
Appendix B – Frequently Asked HST Questions

*Review HST FAQ’s for updated information related to the University policy and tax codes:

http://finance.utoronto.ca/faqs/hst/

HST

EXPENSE REIMBURSEMENTS

Which tax codes should I use when processing the expense reimbursement?

The tax legislation surrounding employee allowances/reimbursements is slightly different from the guidelines governing a direct purchase from a vendor. In the case of expense allowances and reimbursements, the taxes applied to the reimbursement transaction are those in effect when the reimbursement takes place and NOT when the goods/services were delivered/received. The Expense Reimbursement forms have been updated to reflect the tax codes to be used for the specific expense categories noted on the forms. For reimbursement of items which fall in the “Other” category, such as Parking, the same reimbursement tax codes should be used (i.e. ER, EE or E0) as appropriate. **NOTE:** EA is only to be used for expense allowances (i.e. per diem).

For more information see the [HST Tax Code Summary table](http://finance.utoronto.ca/faqs/hst/).

What tax code should I use when reimbursing for Conference/Registration Fees when the function was attended in the following:

a. Ontario, New Brunswick or Newfoundland & Labrador?
b. Prince Edward Island?
c. Nova Scotia?
d. All other provinces or territories*?
e. Out of the country?

a. **Tax code ER** for conferences attended in Ontario, New Brunswick or Newfoundland & Labrador.
c. **Tax code EN** for conferences attended in Nova Scotia.
d. **Tax code EC (self-assess OVAT portion of HST)** for conferences attended in GST provinces.
e. **Tax code ES (self-assess HST)** for conferences out of country.

**NOTE:** If the conference was held in Canada and no taxes are indicated on the receipt, contact the vendor to find out why. If they say it is not an error because they were only recovering what it cost them to put on the conference, the tax code would be **E0**. (When a vendor is recovering only their costs, they do not need to charge taxes.) *If no taxes were charged in error, self-assess using tax code ES, regardless of which province or territories the conference was held in.*

*Provincial taxes incurred in a non-HST province are not recoverable and therefore must be entirely expensed using tax code E0.