

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.

- ❑ As of January 2, 2017, U of T has decided to provide claimants the choice of claiming either the actual meal costs supported by original itemized receipts or a per diem meal allowance on a U of T business-related trip regardless of the funding source unless specifically disallowed by a granting agency (See Appendix A for current rates)
- ❑ Itemized receipts for all expenses, other than per diems are **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. For a principal investigator, travel may be an integral part of the research and obtaining approval from the chair prior to each trip would be impractical. Also, the Principal Investigator is aware of the terms and conditions of the funding, and is often in the best position to determine if the travel is necessary, allowable and that there is a source of funding. If the faculty or staff member has any doubt, **obtain approval for the travel or other reimbursable expense in advance**.
- ❑ 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
- ❑ The expense must have been personally incurred by the claimant, ie. The claimant does not request Reimbursement on behalf of another individual
- ❑ 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.
- ❑ Expense claim and supporting documentation should be submitted in hard copy at the latest within 3 working weeks of the completion of the expense-related activity. Timely reporting is very important to ensure that charges are recorded against departmental accounts and research grants in the correct accounting period and while a grant is still open and eligible for charges, and to avoid personal interest charges on credit cards (which are not eligible expenses).
- ❑ 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>), 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. If the accommodation is booked through a third party booking site (like Expedia), then the order confirmation from the third party booking site showing credit card payment and travel dates, including a statement of guest charges or hotel bill with travel dates from the host establishment for other charges (or a hotel bill with travel dates where there were no other charges, if provided) should accompany the reimbursement request.
- ❑ **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>)
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>). 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.
- ❑ **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
 - For rates not available in FIS, refer to the Bank of Canada nominal rates in effect for the specific day/period. Ensure a copy of the Bank of Canada currency converter is attached to the expense report. <http://www.bankofcanada.ca/en/rates/exchform.html>

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