

INSPIRING INCLUSIVE EXCELLENCE

Finance 101

Feb 23, 2023

AGENDA

- Guiding Principles
- Overview of workflow process
- Approval & delegation of signing authority
- Year end processes
- Procurement policies
- Resources
- Q & A

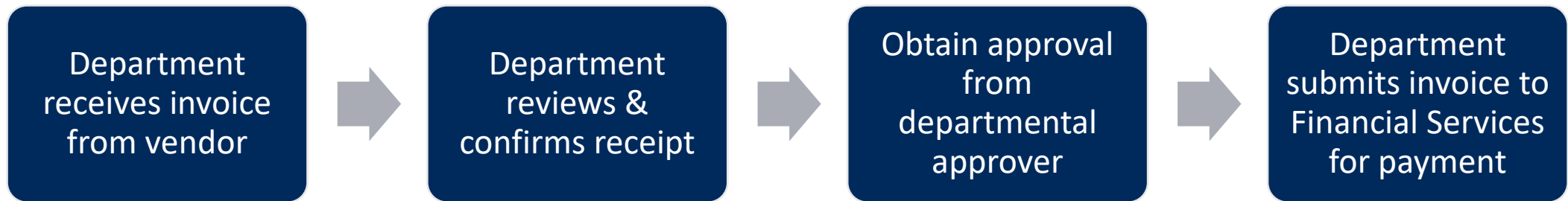
GUIDING PRINCIPLES

- U of T policy strives to be fair and provide the greatest possible flexibility.
- Guide to Financial Management (GTFM) lays out the guidelines and requirements. This policy is designed to rely on the goodwill and discretion of the employee and supervisor, while at the same time allowing the University to meet its stewardship obligations as a public institution.

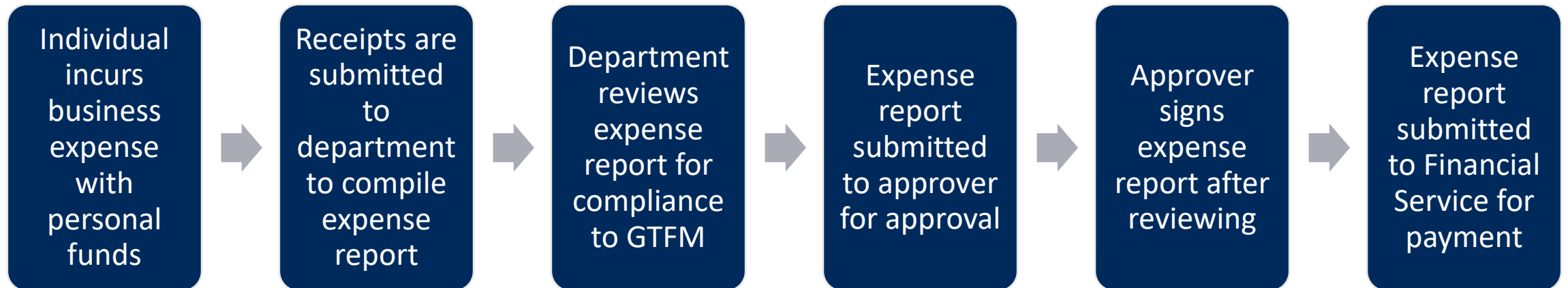
GUIDE TO FINANCIAL MANAGEMENT (GTFM)

- This GTFM is a key resource for financial administrators, staff and faculty on how to handle financial related matters at the University of Toronto.
- The GTFM includes some of the following:
 - Financial Management
 - Roles and Responsibilities
 - Delegation of Authority
 - Travel and other Reimbursable expenses
 - Financial Planning and reporting
 - Etc...
- The guidelines set up in the GTFM aligns with the **accountability report**

OVERVIEW OF WORKFLOW PROCESS - INVOICES



OVERVIEW OF WORKFLOW PROCESS – EXPENSE REIMBURSEMENT



Expense Reimbursement Checklist: [Link](#)

THINGS TO CONSIDER WHEN APPROVING AN EXPENSE REPORT

Objective

- The individual should **neither gain nor loss personal funds** as a result of conducting University business
- When granting agency guidelines or the terms of a specific award are **stricter or impose greater restrictions**, those guidelines **will override University guidelines**

Reimbursable expenses are:

- **Out-of-pocket expenses** related to business travel or other activities undertaken on behalf of U of T
- **Reasonable*** and **appropriate** for the business activity undertaken
- **Consistent with the terms and conditions** imposed by the funding source from which they are paid (e.g., allowable under granting agency guidelines)
- Supported by **original receipts** from suppliers (**exception:** kilometrage or allowable per diem claims)

***NOTE:** The mode of **travel considered reasonable** is that which provides **adequate** standards for **comfort, convenience, safety** and **efficiency** as well as being the **most economical option** under the circumstances.

APPROVALS AND AUTHORIZATION

Claimants are responsible for submitting claims:

- for ***actual*** out-of-pocket expenses
- on a timely basis
- supported by original receipts

Claimants *and* Approvers are responsible to ensure that:

- any contemplated travel is **necessary & appropriate**
- the resulting expenses are **legitimate & reasonable**
- the expenses are in **accordance with the U of T policy, departmental policy, or granting agency guidelines, *whichever imposes greater restrictions***

APPROVALS AND AUTHORIZATION

Faculty, Staff, Visitors and Students:

- All expense reimbursement claims and contemplated travel plans require approval on a “one-up” basis, by the person to whom the claimant reports. Authorization for planned travel should be obtained *before** committing funds for the trip (e.g., paying for the tickets). *The University is not obligated to issue reimbursement for travel or other costs that have not been previously approved.*

- ***NOTE:** For **Principal Investigators (P.I.)**, travel may be necessary for research, so obtaining approval from the chair prior to each trip may be impractical. The P.I. is also aware of the terms and conditions of funding, and is often in the best position to determine if travel is necessary, allowable and if there is a source of funding.

APPROVALS AND AUTHORIZATION - CONTINUED

Visitors and Students:

- These are approved by the faculty or staff member responsible for the activity of the visitor or student (i.e., the one who approved the arrangements).

Employees:

- These are approved by the one-up of the employee with signing authority

WHEN PRE-APPROVALS ARE REQUIRED

▪ Airfare upgrades (GTFM)

- For domestic and international flights, the standard class of service is the least expensive economy class fare. All other business class and premium economy travel may be permitted (e.g., flights in excess of 6 hours, or for medical reasons) if pre-authorized

▪ UTSC hospitality guidelines

	Acceptable maximum Range*	Guidelines on Alcohol Consumption
Breakfast	\$15.00 - \$30.00	n/a
Lunch	\$20.00 - \$50.00	1 drink per person
Dinner	\$45.00 - \$100.00	2 drinks per person

* **Incl. of tax, gratuities, and alcohol**

As an example, a dinner hosted to entertain an external guest by a department head to foster a business partnership should be budgeted at a maximum of \$100.00 per person inclusive of gratuities, tax, and alcohol. In exceptional circumstances, *if it is anticipated that the maximum limit will be exceeded, pre-approval and justification are required, and contingent on departmental budget availability.*

▪ UTSC alcohol policy

- One-up authorization should be received, in writing, prior to purchasing or serving alcohol at a special social event.

APPROVALS AND AUTHORIZATION – DELEGATION OF AUTHORITY

Alternate Approvals:

- **Approval of expense claims cannot be delegated.** If the “authorizing” person is not available, then the claim should be referred to the next level up in the approval structure.
- If there is an individual who is placed in an “acting” role and therefore **taking over all the responsibilities of the approver** (e.g. a professor becomes the “acting chair”) then the individual in the “acting” role would be authorized to approve the claim since they are, in effect, taking over the responsibilities of that position.
- It is up to the Division/Department to determine whether an individual is in “Acting” role as per the GTFM guidelines.
- When the “one-up” approver is available, they cannot **delegate** this authority to someone else.

Delegation of Authority: [Link](#)

Delegation of Signing Authority Form: [Link](#)

TYPICAL APPROVAL STRUCTURE

Faculty and Staff:

▪ Academic reporting structure:

- Chair *approves* academic requests
- Dean *approves* requests from Chair
- Principal *approves* requests from Dean

▪ Administrative reporting structure:

- Supervisor *approves* staff requests
- Department Head *approves* Supervisor's requests

YEAR END PROCESSES

Key dates

- March 31, 2023 – Tri-Agency grant year-end
 - Reminder notices will be sent from Financial Services to remind department's of any grants that require attention

- April 30, 2023 – University fiscal year-end
 - Year-end schedule will be circulated in March for document submission deadlines
 - Documents submitted before the deadlines will be processed for the current fiscal year, late submissions will be accommodated depending on volume

PROCUREMENT

- Procurement Policy
- Thresholds
- Timeline for Request for Proposal process
- Approved Supplier list
- uSOURCE
- Purchasing Card & Travel Card

PROCUREMENT

University of Toronto Procurement Policy

- The Policy includes Supply Chain Code of Ethics and Approval Authority Schedule
- The Policy governs the acquisition of goods and services, including construction, consulting services and information technology with University funds from all sources, including the operating, research, capital and ancillary funds and all other funds held in trust.
- Policy is aligned with the Provincial Broader Public Sector (BPS) Procurement Directive to ensure procurement process is open, fair and transparent.
- Policy is also aligned with various trade agreements – The Canadian Free Trade Agreement (CFTA), The Canadian-European Union Comprehensive Economic and Trade Agreement (CETA) and the Ontario-Quebec Trade and Cooperation Agreement (OQTCA)
- University is bound by requirements of funding agencies (such as CFI, NSERC, SSHRC)
- Obligation to comply to the Accessibility for Ontarians with Disabilities Act (AODA)

University of Toronto Procurement Policy can be found at:

- <https://www.procurement.utoronto.ca/about-procurement/uoft-procurement-policy>

PROCUREMENT

Purchasing Goods or Non-Consulting Services

- To reduce administrative effort when purchasing standard goods and services, contracts have been negotiated with University of Toronto Approved Suppliers.
- Streamlines the procurement process.
- Approved suppliers have competitive pricing and discounts, some waive shipping fees, enhanced warranty and customer service levels.
- Approved Suppliers covers a wide range of commodities from computers, office supplies, lab equipment and supplies, audio visual equipment, furniture, etc.
- Full list of Approved Supplies is available on Procurement Services Website, along with contact information and how to order from them as there are different methods as some are on uSOURCE.

Approved Suppliers can be found at:

- <https://www.procurement.utoronto.ca/supplier-network/approved-suppliers>

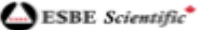
USOURCE

- uSOURCE is the University of Toronto's online marketplace, an eProcurement platform that provides a user-friendly one-stop-shopping experience that will save time and money, offer more choice, and take the guess-work out of routine purchases.
- uSOURCE has suppliers covering a wide range of goods and services and providing competitive pricing and discounts.
- Individuals assigned a user role, shopper, requisitioner and/or approver for system access, password protected with your UTORid
- To register for uSOURCE contact your Department Business Officer or Sheila Baker, Procurement Officer at she.baker@utoronto.ca

For more information visit uSOURCE website:

- <https://www.procurement.utoronto.ca/programs-and-services/usource>

USOURCE SUPPLIERS



PROCUREMENT THRESHOLDS

If you can't find what you're looking for with Approved Supplier, then the following thresholds apply:

Under \$9,999

- Purchases in this category include any good or service from a single supplier
- Only one quote required and you can place the order directly with the supplier and request an invoice. A Departmental Purchase Order can be referenced if required by supplier.

\$10,000 to \$49,999

Informal Procurement

- Purchases in this category typically involve straightforward acquisitions of goods or services
- A minimum of two written are required
- Purchase order is issued by Procurement.

\$50,000 to \$99,999

Invitational Procurement

- Purchases in this category are considered high value, and require an invitational procurement process based on a minimum of three written quotations.
- Invitation to Quote templates for Goods, Services or CFI funded projects are available from the Procurement website:
<https://www.procurement.utoronto.ca/tools-templates-forms/invitation-to-quote-sop>
- Purchase order is issued by Procurement.

\$100,000+

Open Competitive Procurement

- To be compliant with internal and external regulatory frameworks, purchases in this category must be publicly tendered in a competitive bid process (e.g. Request for Quotation (RFQ) or Request for Proposal (RFP)).
- Allow sufficient time for procurement process which may take up to 8 to 16 weeks (draft deliverables, post RFP, evaluate and contract award)
- Contact Susan Dyson, Procurement Manager at susan.dyson@utoronto.ca

REQUEST FOR PROPOSAL (RFP) PROCESS

RFP Process (Open Competitive)

Minimum timelines – will vary based on project

Phase 1 Planning 2-3 weeks	Phase 2 Tendering 2-4 weeks	Phase 3 Evaluation 1-3 weeks	Phase 4 Negotiation 2-4 weeks	Phase 5 Award/ Debriefing
<ul style="list-style-type: none"> • Preliminary Meeting • Develop detailed specifications and functional requirements • Draft RFP • Review and Post to MERX 	<ul style="list-style-type: none"> • Question and Answer Period • 15-25 day posting 	<ul style="list-style-type: none"> • Submissions evaluated in Bonfire • Minimum 3 evaluators • Conflict of Interest / Non-Disclosure Agreement • Evaluation Matrix • Consensus 	<ul style="list-style-type: none"> • Negotiations • Draft Contract • Circulate for signatures 	<ul style="list-style-type: none"> • Business Officer creates Purchase Requisition, with RFP documentation • Procurement issues Purchase Order • Award posted to MERX within 72 days of contract award • Provide debriefs to unsuccessful proponents

PURCHASING CONSULTING SERVICES

Definition of Consultant

- Is defined as an experienced professional or entity who provides expert knowledge for a fee (not an employment agreement), acting in an advisory capacity only and is usually not accountable for the outcome of a project/assignment.
- If engaging services from a Consultant, it is important to note that consulting services must be competitively sourced regardless of dollar value: a minimum of three supplier quotations are required for any engagement under \$100,000.
- Engagements of greater value must be sourced using an Open Competitive Procurement process.
- If neither is possible, a [Procurement Policy Exemptions Justification](#) (PPEJ) form is required, a solid business case must be included, and **authorization must be obtained from the President of the University**

PURCHASING CARD

- The Purchasing Card (PCard) provides a cost-efficient method of procuring and paying for low value goods and services which are not available through uSOURCE.
- The PCard is a University authorized credit card assigned to authorized full-time faculty and staff responsible for purchases of low value goods or services and is for University business only.
- Charges are paid directly by the University on the assumption that the purchases have been reconciled against monthly statements and have been approved for payment.
- The PCard is not to be used for personal purchases.

Some restrictions apply and cannot be used for purchases such as:

- Goods and Services for the personal use of employee
- University business travel and hospitality (use Travel and Hospitality Card instead)
 - Transportation, accommodations, food and beverage expenses.
- Cash advances and ATM withdrawals
- Financial instruments of any kind such as money orders or bank drafts
- Laboratory and research animals
- Radioactive and hazardous material
- Maintenance contracts
- Extended rentals or leasing of equipment

PURCHASING CARD

A single purchasing card transaction cannot exceed \$10,000.

Cardholder is responsible for records of all purchases:

- All original receipts are to be retained and reconciled on a monthly basis.

Cardholders and Card Coordinators can monitor activity online using BMO Spend Dynamics

- To apply for purchasing card please contact your Department Business Officer.

For more information visit <https://www.procurement.utoronto.ca/programs-and-services/purchasing-card>

TRAVEL AND HOSPITALITY CARD

- The Scotiabank Visa Travel and Hospitality Card (T&H Card) is the most cost effective method of financing University travel and hospitality related expenses.
- The T&H Card provides faculty and staff with a wide variety of [travel insurance benefits](#) including flight and baggage delay, car rental theft and damage, and hotel/motel burglary compensation. It should only be used for U of T business purposes for travel and hospitality related expenditures, and should not be used as a substitute for the [Purchasing Card](#) (PCard) or the accounts payable process.
- Personal Expense Report is completed and submitted for reimbursement.
- The Cardholder is responsible for paying Scotiabank directly.
- Cardholders are expected to pay the balance in full by the statement due date.
- For more information, see [Travel and Other Reimbursable Expenses – Policies and Guidelines](#).

UTSC FINANCIAL SERVICES CONTACTS

Enquiries regarding Purchase Orders, uSOURCE, Purchasing Cards:

Sheila Baker
Procurement Officer
She.baker@utoronto.ca

Enquiries regarding Purchasing Policy and Competitive Procurement:

Susan Dyson
Procurement Manager
Susan.dyson@utoronto.ca

Rick Pajor
Procurement Officer
Rick.pajor@utoronto.ca

Procurement Services Website:
<http://www.procurement.utoronto.ca>

UTSC FINANCIAL SERVICES CONTACTS

General enquiries on University financial policies and procedure and document submissions

- please email fsd.utsc@utoronto.ca

Enquiries on Research Financial policies and procedure

- please email fsd.research.utsc@utoronto.ca

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FUTURE TOPICS

- Feedbacks
- Topics of interest
- Learning sessions

QUESTIONS