

# **A guide of financial procedures for DPES researchers, staff and students**

The following document is a summary of selected financial policies and procedures of the University of Toronto and will be updated periodically, as required.

The Guide to Financial Management can be found in its entirety at:  
<http://www.finance.utoronto.ca/gtfm.htm>.

Forms referred to in this document can be found at:  
<http://www.utsc.utoronto.ca/~financial/forms.html>

Additional information can be found at:  
<http://www.utsc.utoronto.ca/~financial/services.html>

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## **INTRODUCTION:**

The University of Toronto, as a publically-funded organization, has financial policies and procedures which must be followed.

1. The Guide to Financial Management which can be found at: <http://www.finance.utoronto.ca/gtfm.htm> and the Canadian Government Tri-agency Financial Administrative guide at: [http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/index\\_eng.asp](http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/index_eng.asp) must always be considered when financial transactions are involved.
2. Human Resource Services must follow federal and provincial compensation regulations as well as adhere to a number of union contract agreements.
3. Each source of research funding is governed by often unique agreements distilled in the Funded Research Digest for each fund found on My-Research-on-Line (MROL). From the financial perspective, the eligibility and ineligibility guidelines of the grant must be adhered to and it is ultimately the responsibility of the researcher to ensure that they are followed.

**Note:** In the spending of research grant and contract funds, the sponsor's guidelines, rules and regulations will always override the University's policies.

In the following pages, we summarized important information regarding potential financial transactions that may affect you. This information will be updated periodically. For additional information regarding policies, procedures and guidelines, please reference both of the following websites: <http://www.utsct.utoronto.ca/~financial/> and <http://www.internalaudit.utoronto.ca/resources/policies.htm>.

## **AUTHORIZATION/ACCOUNT NUMBERS:**

All expenditures must be authorized by the person responsible for the budget/fund (supervisor) with all documentation retained to support each online posting whether a packing slip to prove receipt of a good, vendor receipt to support a travel cost, a work order to support a request for a service or a payroll form to pay someone you supervise. Purchase requisitions must be signed and completed before submission to Jennifer Caradonna.

For all research fund expenses, the Principal Investigator (P.I.) is responsible to ensure that all transactions are authorized, the proper fund numbers are assigned and that there are sufficient funds in the grant to support the expense.

## **EXPENSE REIMBURSEMENTS:**

General reimbursement guidelines and specific expense item policy and procedures can be found at <http://www.utsc.utoronto.ca/~financial/>.

Travel expenditures where payment was made by cash or a personal credit card can be claimed via expense reimbursement. Please note that the university strongly discourages the use of expense reimbursements for non-travel expenses such as equipment or supplies and stresses the utilization of Ushop and /or purchase requisition method where an invoice can be paid directly from the Financial Information System (FIS).

Expense reimbursement forms must be completed and supported with original receipts giving details of expenses and proof of purchase and signed by the claimant and their supervisor. **All expense reimbursements must be authorized on, at minimum, a “one-up” basis. For students, it is their immediate supervisor (P.I.). For faculty members, it is the Chair of the department.**

**Please note: In DPES, all expenses must be approved by the Chair of the Department before the expense can be forwarded to Financial Services for centralized processing. There is no delegation of alternate signing authority for Expense reimbursement authorizations.**

All expense reimbursements should be completed and submitted as soon as possible after the actual expenditure.

Credit card and/or debit card transactions chits are not accepted as receipts. Transaction chits indicate that \$ were either debited from your account or charged to your credit card. A proper receipt lists the price of individual items, may contain a brief description of each item, and indicate all applicable taxes paid. When making any purchase, please ensure a proper receipt is obtained, as transaction records will not be acceptable on their own.

Although credit card statements are not receipts they can be used as back-up material for proof of payment, proof of method of payment and for purchases or services from U.S. or foreign vendors to show the equivalent Canadian dollar amount paid. If you have paid for foreign or U.S. expenses with your credit card, a copy of the statement (along with the original order form, official receipt, packing slip or any other documentation) indicating what Canadian amount was paid for the expense should be attached to the expense reimbursement form. If you do not attach a copy of your statement, the exchange rate will be paid at the rate expressed in the U. of T. financial system on the day of your purchase.

If you have made a purchase on-line with a credit card, submit a copy of the credit card statement along with any receipt received and original order and/or verification form. In some cases, the order or verification form does not list all the charges paid and the statement would clarify the final amount paid. When you make on-line purchases, be sure to print copies of the order pages and the verification pages, and also attach any materials received to verify the order, i.e., confirming e-mails, receiving slips, receipts, etc.

The safest thing to do is to save **EVERYTHING YOU CAN** to verify every purchase you want to be reimbursed for. The more information you provide regarding expense reimbursement, the easier it is to process. Incomplete information and missing receipts leads to delays which can become frustrating, especially if large dollar amounts are involved.

The importance of keeping all your receipts cannot be understated. Original receipts must be submitted for reimbursement and again, credit card or debit card voucher transaction records will not be accepted as receipts. If you do not receive a valid receipt, ask the vendor to provide you with one.

Once an expense reimbursement form has been completed, authorized and receipts attached, it can be submitted to Jennifer Caradonna. It will then be coded with appropriate tax codes, G/Ls (classification code of expenditure), funding accounts, audited for sufficient backup documentation, and approved by the Chair of the Department. On completion, all original forms and receipts are hand delivered to Financial Services for verification and processing into the financial system. Copies of all submitted documents are taken and filed in the appropriate department or P.I.'s research file.

- Travel Expenses (Refer Appendix B for more detailed list/line item):
  - a) Airfare: For reimbursement of airfare, the University of Toronto's Guide to Financial Management states that the receipt for air travel consists of "the customer portion of the ticket identified as Customer/Passenger Coupon and/or Not good for passage combined with the Passenger Boarding Pass. If travel is booked through e-mail, use a copy of the Ticket Confirmation and the Passenger Boarding Pass, in place of a ticket". The destinations and amounts paid for the ticket are normally printed on the passenger coupon or the e-mail ticket confirmation. In some cases, the amount paid for the ticket is not printed. This is especially true when booking charter flights. In those cases, the last page of the ticket, plus the invoice/receipt from the travel agent will need to be submitted. This will also be required if the amount paid is different from the coupons amount or if additional payments are made for travel insurance, etc. The boarding passes are the only real proof that the travel actually took place.

The introduction of e-tickets has made the process a little more confusing. The best policy is to retain **anything and everything** that you receive that pertains to the purchase (i.e., the itinerary sheet, boarding passes, and invoices/receipts).

- b) Meals: For meal expenses, when travelling, you have the choice of keeping and submitting all actual meal receipts or claiming meals on a "per diem" basis noting that per diem charges are not permissible for reimbursement from operating funds and provincially funded grants. The allowable amounts for per diem on Tri-council grants only are:

Travel in Canada:

\$55.00 Canadian per day

Breakdown: Breakfast \$11.00, Lunch \$17.00, Dinner \$27.00

Travel in U.S. and Overseas:

\$75.00 Canadian per day

Breakdown: Breakfast \$15.00, Lunch \$22.50, Dinner \$37.50

You can claim one way or the other, i.e., using receipts for all expenses, or using the “per diem” method, or a combination of both on different days. However, if you mix the claiming method, then a statement of what is being claimed on each specific day of the travel must be submitted with the expense claim. For example, if you are visiting a company in Canada and part of the visit was to take someone out for a dinner meeting, you could claim per diem for breakfast and lunch at \$28.00 and claim the actual cost of the dinner under meals.

If you combined the methods, a summary statement **must be provided** and submitted with the receipts. Also, when submitting your requests, any meals paid on a hotel bill should be deducted and claimed under the “meals” area of the reimbursement form. If you are claiming the “per diem” method, you must deduct any meals paid on your hotel bill. If there are meal expenses on your hotel bill, you should indicate that they were for (i.e., dinner, breakfast, etc.).

Meal expenses must be paid by the most senior University attendee when entertaining other University employees. A list should be provided as to who was in attendance.

- c) Personal vehicle usage: If you use your personal vehicle for travel, you can claim mileage. The current rate for mileage is \$0.47 Canadian per kilometre. Mileage covers gas, vehicle use, insurance, etc; you cannot claim gas purchased if you claim mileage, as the gas charge is covered in the \$0.47. The limit for claiming mileage/km is 500 kms. Individuals should explore the most economical mode of transportation and obtain quotes for any other mode of transportation **for the same period of travel** in advance.

- Accountable Advances:

Accountable Advances can be arranged for staff or students for specific anticipated travel related expenses where it may be difficult to pay by credit card due to field location, such as bus, taxis, meals, accommodation. It cannot be used for airfare, purchases or as payment for services.

Cash advances must be arranged at least three weeks prior to travel as the documentation must be prepared, approved and forwarded to Financial Services and couriered downtown to Accounts Payable at 215 Huron Street for cheque production. Cheques are processed once a week.

Direct deposit is not available for Accountable Advances or for settlement of the same.

Accountable Advances must be settled as soon as possible after the completion of the travel. According to Financial Services guidelines, this should be within one week after return, although the settlement date on the form is usually the end of the month after the anticipated return date of the trip. Settlement is through completion of the expense reimbursement form which follows the same procedures outlined above.

If the total expenses paid are less than the amount of the Accountable Advance previously received, the claimant owes money back to the university. Once the claim has been audited by DPES and the total amount owed is finalized, the claimant must provide DPES with a cheque made payable to "The University of Toronto" which will be submitted with the settlement claim to Accounts Payable at 215 Huron Street.

- American Express Travel Card:

Full time faculty and staff members can apply for an American Express Travel Card which can be used for University travel only. Completion of an expense reimbursement form is still required in order to be reimbursed for expenses. NOTE: The individual cardholder is directly responsible for payment of their American Express bill. Amex bills are not paid automatically by the University.

For more information on the American Express Travel Card, see Adriana Koufis.

Details and application can be found at <http://www.procurement.utoronto.ca/form/amex-apply.pdf>

- Petty Cash:

For expenditures under \$25.00, the department holds a small petty cash fund. Receipts must be signed on the back by your supervisor and the account number to be charged written on the receipt. Petty cash is available from Adriana Koufis.

Receipts must be originals - credit card or debit card transaction records will not be accepted.

## **PURCHASES:**

- For purchases under \$5,000 the preferred methods of purchase are to:
  - USHOP
  - Complete a Purchase Requisition and place order through Jennifer
  - Purchasing card
  
- USHOP

Staff and faculty can purchase goods using the University's online shopping system, UShop. It provides the ability to purchase quickly, conveniently and efficiently from online catalogs of popular U of T vendors, and provides specially negotiated discounts with the ease of charging purchases directly to FIS accounts.

For information on UShop and registration please visit <http://www.procurement.utoronto.ca/#> and select the UShop tab.

Packing slips are always required as backup to purchases received and must be received by the staff or Faculty member for at least 7 years. This is responsibility of the Principal Investigator.

- Purchase Orders

All purchases over \$5,000 require a Purchase Order and competitive quotations. Purchasing Policy requirements are as follows:

### Purchases of Goods and Services, excluding Consulting

\$5,000 to \$24,999.99 two written quotations from two separate vendors must be obtained

\$25,000 to \$99,999.00 three written quotations from three separate vendors must be obtained from written invitation to all suppliers

\$100,000 and above open competitive procurement which involves public tender. Contact UTSC Procurement Office in Financial Services to assist.

If sufficient quotes are not available, then a Sole Provider form must be completed and submitted with the order to Jennifer.

### Purchasing of Consulting Services

\$0 to \$99,999.99 three written quotations must be obtain from written invitation to all suppliers. Any agreements exceeding \$100,000 requires open competitive procurement which involves public tender. Contact UTSC Procurement Office in Financial Services to assist.

Definition of Consulting Services: The provision of expertise or strategic advice that is presented for consideration and decision-making.

All purchases must be authorized by individual that has signing authority on the accounts from which items are being purchased.

For additional information relating to purchasing please visit

[http://www.procurement.utoronto.ca/policy\\_reference/Procurement%20policy%20BPS%20direct%20ive.pdf](http://www.procurement.utoronto.ca/policy_reference/Procurement%20policy%20BPS%20direct%20ive.pdf)

- Purchasing Cards:

The Corporate Purchasing Card is available for use of small value purchases. It is a very quick, convenient way to purchase goods and services,

The cardholder must keep all supporting documentation such as receipts, packing slips, order forms, etc. that verify the purchase. The supporting documentation should be reconciled to the to the monthly purchasing card statements. The statements are then authorised by the P.I. and handed in to Adriana Koufis for review and filing. This must be done within two weeks of receiving the statement which is usually mid-month.

A purchasing card is also assigned to one specific fund or operating account. All purchases will default directly to the set of accounts on file. In the cases where a staff member has multiple funds, transferring charges around is quite cumbersome. The charge has to be located within the account, a debit memo prepared and then the charge manually transferred. While the purchasing card is quick and easy for you, it creates quite a lot of work for the person who needs to do the transfers. It would be simpler to request to be invoiced for the goods, if it is a vendor that you use frequently.

Use of the purchasing card does not eliminate the need for authorization. We must still follow all the policies and procedures regarding purchases. All statements must be approved and authorized by the P.I.

There are limitations to what the purchasing card can be used for. In some cases, merchants are blocked by the University. When you try to purchase something from a blocked merchant, the transaction will be rejected. The Bank will need to be contacted to enquire why the transaction was declined. A complete list of what you cannot use the purchasing card for is appended (Appendix A).

If you wish to apply for a University of Toronto purchasing card or make changes to the account to which the purchasing card is linked, please see Adriana Koufis.

Details and application can be found at [http://www.procurement.utoronto.ca/how\\_to/pcard.cfm#](http://www.procurement.utoronto.ca/how_to/pcard.cfm#)



### **SALES TAXES:**

HST is payable on all goods and services. The University receives a rebate on the tax; however, suppliers invoice at the full 13%. The reduction occurs at the time the payment is processed. The financial system automatically calculates the rebate and the reduced amount will be reflected in the accounts.

Both taxes are payable on all goods and some services used in Ontario whether they originate in Ontario or not. We are still required to pay all taxes owing on items coming from other provinces or countries for use in Ontario. For items coming in from another country, GST is remitted by Kuehne and Nagel, the University's Customers Broker and appears as part of the Customs Charges on the financial statement that are processed separately from an invoice. The FIS system calculates the OVAT portion and charges accordingly.

### **SUPPLIES/WORK ORDERS/FACILITIES AND SERVICES:**

Academic Printing & Custom Publishing Services:

In order for Printing Services in SW-204 to accurately complete your printing/copying order, please fill in as much information as possible; the important information for financial purposes being your name, phone number, department, account numbers to charge, course code or research description.

Facilities Management Work Orders:

Work order requests should be submitted to Joanne Terakita, Program Assistant, via email ([jterakita@utsc.utoronto.ca](mailto:jterakita@utsc.utoronto.ca)) with descriptive details on the work that needs to be conducted, as well as when, where and what account to charge. Requesting a quote before work is done is recommended.

When purchases are made at Stores in SW-120, a monthly statement will be sent to Adriana Koufis for any store purchases made in that month. Adriana will see that the appropriate PI or staff member receives a copy. This statement will also include any postage incurred for that month. If you need to set up a new Stores account or have funds/operating accounts that have ended or are no longer to be used for Store purchases, please fill out the form that can be found on the following webpage:

[http://www.utsc.utoronto.ca/~facmgmt/pdf/Central\\_Stores\\_Accounts\\_Form.pdf](http://www.utsc.utoronto.ca/~facmgmt/pdf/Central_Stores_Accounts_Form.pdf)

## **PAYROLL:**

For anyone paid through this Department, the following documentation must be completed and provided to the appropriate administrative staff member in accordance with the monthly/biweekly payroll schedule:

- [Payroll Bank Authorization Form](#)
- [TD1 Federal Personal Tax Credits Return Form](#)
- [TD1 Ontario Personal Tax Credits Return Form](#)
- Work/study permit, if applicable
- Presentation of SIN card

Should there be a change of address or banking information, this must be updated immediately to avoid misdirected pay stubs/payments/tax forms. NOTE: **Students updating a change of address through ROSI must also update this information with Human Resources Department. The Payroll system and ROSI system are not linked.**

## **OUTBOUND INVOICING - SALES TO EXTERNAL CLIENTS:**

Please consult the Chair of the Department when you would like to provide a service or sell a piece of equipment to an external client, Contract obligations, risk and insurance implications and adequate charging must be considered and a written agreement between the supplier and the receiver of the goods or services must be on file. The Office of the Vice-Principal Research is also available for assistance in safe navigation of these endeavours.

In order to arrange for an outbound invoice to be prepared for an external Client, please ensure the above mentioned agreement is in place, and provide all applicable details to Jennifer Caradonna. Details include client's full name and mailing address, funding accounts for the deposit of the revenue, description of service performed/equipment sold, cost, taxes, and overhead (if applicable).

One original invoice is mailed to the customer for payment, one copy is sent to Accounts Receivable at 215 Huron St for the accounting of the revenue, one copy is sent to Financial Services for reconciliation purposes.

## **WIRE TRANSFERS**

Wire transfers are prepared by Jennifer for those outbound payments which the University must pay out to a vendor who requests payment in a foreign currency. Financial Services only pays out CAD \$ and USD \$ cheques. When a vendor requests payment to a foreign bank account, a separate outbound wire transfer form is completed in the Department and is forwarded with all required backup documentation downtown to Accounts Payable, 215 Huron Street for the preparation of the fund transfer. All payee and bank account data must be provided as well as IBAN #, SWIFT codes, financial details of the transaction and backup documentation.

**Appendix A**

## Purchasing Card Exclusions:

- Any personal or private purchases
- Maintenance contracts
- Extended rentals or leasing of equipment
- Services provided through Facilities & Services work orders
- Temporary help
- Single line items valued at over \$5,000
- Cash Advances
- Travel Related Expenses (transportation, accommodation and meals)
- Food and beverage expenses (restaurants, fast food outlets, alcoholic beverage stores, food and beverage dispensers, and all other food and beverage purchases).
- Financial instruments of any kind (money orders, bank drafts)

## **Appendix B**

### **Quick Reference Guide of Travel Reimbursements Requirements**

#### **General Requirements before claim submitted to Jennifer:**

- All **original** receipts showing details of purchase AND proof of payment must be submitted
- Ensure that all students with pending travel plans are aware of what they are eligible to claim based on the funding accounts that will be charged for their expense
- Supervisor must ensure eligibility/ineligibility of specific expense claimed based on the rules of the applicable research grant
- Ensure written approval of Supervisor on the bottom space of the form (not in Chair's signature box)
- Written original signature of claimant
- Only the person who incurred the expense can claim the reimbursement
- Ensure Supervisor has identified funding accounts to charge for the claim
- The date range of all documentation must match the dates on all expenses claimed as part of the claim
- All \$ values must be consistent with the currency in which you are being reimbursed, eg CAD. For example, if you attended a conference in another country, you must ensure that the \$ line items on the form have been converted to the Canadian dollar equivalent. You also need to provide either credit card statements to support the conversion amount you are claiming or identify the exchange rate you used, based on the day the expense was incurred.
- If the student is planning to apply for the Travel Grant through the Office of the VP Research, submit the Travel application with the expense claim to DPES so that it can be audited and approved. We will then forward the claim to the Office of the VP Research for their completion.

#### **Expense reimbursement claim form completion**

- Complete all boxes on the left side of the form up to an including the amount column - Personnel #, Date range of travel, Name, Full address (in case a cheque must be issued), Detailed description of purpose of claim, all required signatures.
- 'Reimbursement currency' is the currency you wish to receive your reimbursement in, NOT the currency of the country you visited or the currency of the receipts you are submitting.

#### **Conferences**

- Must include conference home page indicating dates and location of conference
- Must include conference program details which shows ie, if meals are included in the cost of the conference
- Conference Registration claims must show proof of METHOD of payment as well as proof of balance '0'. This expense as well as Membership claims are entered in the 'OTHER' portion of the form

#### **Airfare**

- All original boarding passes for all portions of the trip
- Itinerary showing the details of the airfare booking
- Proof of payment

**Accommodation**

- Detailed hotel receipts showing length of stay, costs/day incurred, proof of payment
- If more than one is sharing the room, must show names involved, as only the person who incurred the cost can claim the reimbursement

**Per diem**

- Canadian rate is \$55/day ; International rate is \$75/day
- Per diem cannot be claimed on a university operating account or UTFA account
- Individual Per diem meals/day can only be charged if the length of travel matches the meals charged, eg cannot charge full day per diem if the person is only on business for half day

**Mileage claims**

- Km rate allowable is \$0.47/km
- If mileage is claimed, gas receipts cannot be submitted as well
- Claim must include google maps of start/end locations to support the total kms claimed
- Total kms of >500 must also provide supporting documentation as to why airfare was not a more economical alternative
- Certain research grants such as NSERC require that the vehicle details be documented with the claim

**Rail/Bus**

- Boarding passes must be submitted
- Proof of payment (credit card, original receipts)

**Car rentals**

- Car rental agreement must be included with the claim
- Proof of payment

**Taxis**

- Taxi chits showing date, to/from location and \$ must be included

**Hospitality**

- List all attendees
- Include purpose of business lunch/dinner
- Must include original receipt showing details of what was purchased AND proof of payment that the bill was paid
- Alcohol not allowed on some grants, eg Tri-Council

**Meals**

- Must include original receipt showing details of what was purchased AND proof of payment that the bill was paid