

Managing Travel & Other Reimbursable Expenses

Presented by the Financial Advisory Services & Training

Agenda

- Key Points/Principles & General Guidelines
- Approvals & Authorizations
- Methods of Payment
- Allowable Expenses
- Impact of the Ontario Expense Directives c
U of T Business Practices
- Non-reimbursable Items
- Other Matters
- Common Errors Identified by Internal Audit



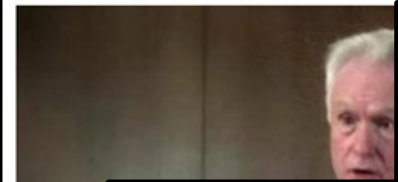


Reimbursable Expenses

Accountability for Use of Public Funds – The “Front Page Test”

Alberta senator-in-waiting leaves U of C board after expense claims
 Questions arose over Doug Black's expense accounts in September
 CBC News · Posted: Oct 05, 2012 3:40 PM MT | Last Updated: October 6, 2012

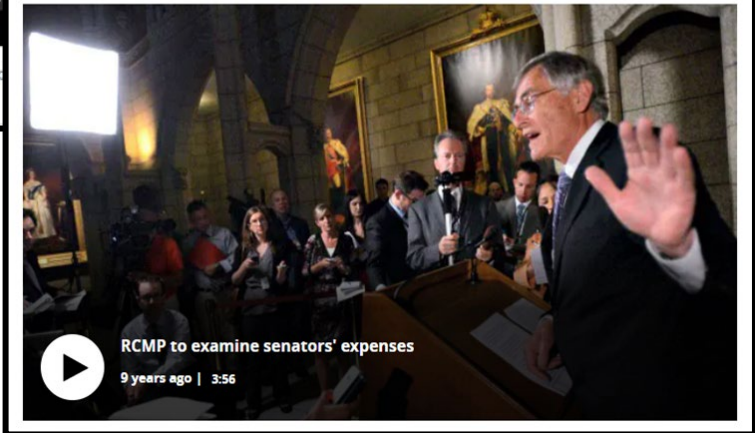
5 blush-worthy public expense missteps
 Oda's \$16 O.J. just latest example in controversies over reimbursements on the public's dime
 CBC News · Posted: Apr 24, 2012 10:12 AM ET | Last Updated: April 24, 2012



Ex-Nova Scotia MLA jailed over expenses scandal
 Disgraced politician says he lived in fear of being caught
 CBC News · Posted: Apr 19, 2012 8:10 AM AT | Last Updated: April 19, 2012

Revealed: British university vice-chancellors' five-star expenses
 Channel 4 Dispatches investigation exposes lavish spending by university chiefs, at a time when lecturers are striking over pensions

RCMP confirms it's looking into Senate expense claims
 Senate Opposition Leader James Cowan accuses Conservatives of going easy on Mike Duffy
 The Canadian Press · Posted: May 12, 2013 4:09 PM ET | Last Updated: May 13, 2013



RCMP to examine senators' expenses
 9 years ago | 3:56



How University of Limerick expenses claims sparked row
 Among allegations were that some staff got mileage for trips between homes and UL
 Expand

As public funds are involved and politicians are taking an interest, it seems likely the next step in this rolling controversy may play out before an Oireachtas committee. File photograph: Getty Images



in Select Committee, is calling for all universities
 Geoff Pugh/Rex

Key Principles



The university will reimburse out-of-pocket, university business travel and related expenses that are **legitimate, reasonable and appropriate for the business activity undertaken**, and that meet the terms conditions.

- U of T policy strives to be fair and provide the greatest possible flexibility, while still allowing the University to meet its stewardship obligations as a public institution
- As long as policy is followed, **an individual should neither gain nor lose personal funds** as a result of travel assignments

The individual could be:

- an employee
- student
- A visitor to the university
- Or anyone else on University business

General Guidelines

Reimbursable expenses are:

- **Out-of-pocket expenses** related to business travel and other activities undertaken on behalf of U of T.
- **Reasonable** and **appropriate** for 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



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

Responsibilities



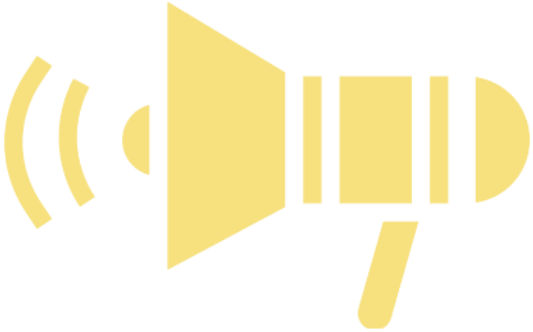
Claimants are responsible for submitting claims:

- 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

Recent Amendments to GTFM Policy (August 2024)



- 1. **Credit Card Statement as a Proof of Payment – Updated Phrasing**
- 2. **Claiming Reimbursements for Expenses Incurred by Another Person**
- 3. **Receipt Requirements for Foreign Exchange**



[Click here to learn more](#)

Approvals and Authorizations

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.

For Principal Investigators (P.I.), travel may be necessary for research, so obtaining approval from the chair prior to each trip may be impractical.



P.I.'s are aware of the terms and conditions of funding and are often in the best position to determine if travel is necessary, allowable and if there is funds available.

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).

Signature Requirements

Last fall, Financial Services developed and documented policies around electronic signatures and document retention.

E-Signatures may be used to indicate approval of expense reimbursements provided that:

- there is a **clear, auditable evidence of who has performed each action** related to the transaction
- the document can be retained and disposed in accordance with the **rules within the UofT File Plan**



Related links:

- [GTFM Policy - Electronic Signatures & Document Retention](#)
- [Recording – Lunch & Learn - Understanding the New E-Signature and Electronic Document Retention Guidelines](#)
- [UofT File Plan](#)



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 someone is in an “acting” role and **taking over all the responsibilities of the approver**, then the individual 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.



Faculty/Staff - Approval Structure/Hierarchy



Academic reporting structure:

- Chair approves academic requests
- Dean approves requests from Chair
- Provost approves requests from Dean

Administrative reporting structure:

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

Methods of Payment

There are three payment methods* available for travelers to choose from based on what best suits their destination:

- Personal credit card
- Corporate Scotiabank Visa Travel and Hospitality Card
- Accountable Advance

***NOTE:** Purchasing Card (PCard) must NOT be used to pay travel suppliers.



Using Personal Credit Card

Pros:

The credit card may accumulate benefits for the individual (e.g., points, bonus credit \$\$)



Cons:

If expense(s) are not reimbursed prior to the due date of the next billing, then:

- the individual may have to use personal funds to temporarily pay for the expense
- service charges may be incurred as a result of late payment (not reimbursable by U of T)

Scotiabank Travel & Hospitality Card

This is the most cost-effective, and preferred method of financing University travel for both the individual, and the University. The Scotiabank Visa is essentially a personal credit card with a slightly longer payment period.

Pros:

- various travel benefits (e.g., Travel Accident Insurance, Car Rental Theft and Damage Insurance)
- 60 days from statement due date to settle an account before interest charges are levied

Cons:

Available only to full-time appointed employees.



Scotiabank Travel & Hospitality Card – Responsibilities and Reimbursement

The employee is responsible to:

- personally pay their Visa bill
- submit an approved Expense Reimbursement form (including original receipts)

However, in rare circumstances departments may pay an employee's Visa bill directly.

If the department pays the Visa bill (e.g., as a certified invoice, instead of an expense reimbursement):

- The claimant must still complete the expense report form, and provide all supporting documentation
- one-up approval and employee certification (i.e., claimant's signature and declaration that they have read the University's regulations on reimbursements and confirm their compliance) still applies
- the employee remains responsible for any delinquency charges; the University will NOT reimburse for delinquency/interest charges.

Accountable Advance

Payments made to an individual, via cheque, **to cover future expenses when all other university payment options have been ruled out.**

This is the **least economical method of financing travel** for the University, as it requires cash disbursement before the actual expense is incurred and therefore prior to obtaining the “proof of purchase” documentation.



Pros:

- available to faculty, staff, visitors or students
- facilitates travel to places where payment by credit card is not always possible

Cons:

- the least economical method for University
- Advances made to visitors or students must be recorded against a University employee number and is the responsibility of that individual

Accountable Advances – Additional Notes

- Only one outstanding Accountable Advance is allowed per individual.
- It should not be used for expenses other than those for which it was requested.
- It cannot be used for the purchase of airfare.
- It should be settled as soon as possible; at the latest within 3 working weeks following completion of travel or other activity for which the expenses were incurred.



Allowable Expenses

Allowable Expenses – General Guidelines



Generally, an expense incurred on behalf of U of T business is permissible and reimbursable if the:

- expense is necessary
- most economical option has been selected under the circumstances
- expense conforms in all respects to any terms and conditions attached to the funding source (e.g., Research, Operating)

Air Travel

Required supporting documentation:

- Proof of payment
- Proof of air travel



Frequent Flyer programs:

- No reimbursements can be claimed for air tickets purchased with personal frequent flyer points, flight credits or gift cards
- Travelers may specify airline ONLY if airline offers the least expensive fare.

Proof of Payment :

Itinerary/receipt or ticket confirmation from the airline
(original receipt must indicate method of payment and amount paid by the traveler)

Proof of Air Travel (at least ONE of):

- Boarding passes
(paper or print-out of e-boarding pass)
- Hotel bill at the travel destination
- Taxi/transit receipts to/from the destination airport/train station
- Meal receipts from the travel destination
- Certificate of Conference attendance

Upgrades to Business Class

The standard class of service for domestic and international flights is the least expensive economy class fare.

In addition to business class, premium economy travel may also be permitted (e.g., flights in excess of 6 hours, or for medical reasons) if pre-authorized by one of the following:

Principal

- Dean
- Director OR
- Senior executive to whom the traveler reports

Note: If funding is from a research grant, the sponsor's travel expense approval policy must be followed. Some granting agencies specifically limit air and rail travel reimbursement to the lowest available fare.



Air Travel Emissions Mitigations Initiative (ATEMI)

As of March 15th, the university launched an initiative to mitigate the impact of emissions from air travel.

Financial impact: university-funded air travel (except for travel funded by external research grants) will be subject to a carbon offset fee based on the distance travelled.

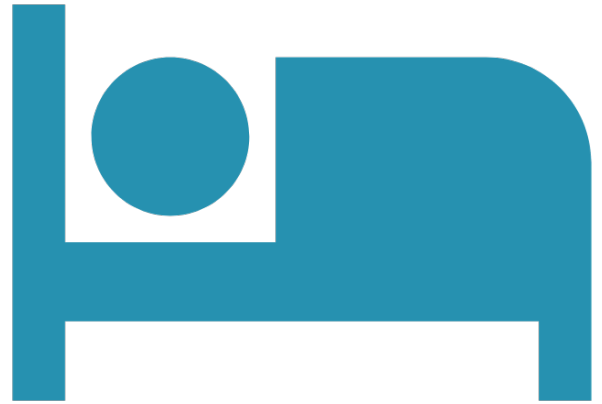
- Fee is based on:**
- Flight class of service (i.e., ECONOMY, ABOVE-ECONOMY)
 - # of km round trip

- Carbon Offset Fee:**
- ECONOMY class - \$0.0055 per km
 - ABOVE-ECONOMY class - \$0.011 per km



Accommodations

The type of supporting documentation required will differ depending on how the accommodations were booked (e.g., directly with hotel, 3rd party booking site or AirBnB).



Proof of Stay:

- Detailed statement of guest charges from the host establishment.
- If booked through a 3rd booking site (e.g., Expedia), then the order confirmation from the 3rd booking site showing the **credit card payment** and **travel dates**.

AirBnB Rental – Receipt Requirements

1. **Proof of payment** (must indicate the following):

- Check In and Out dates
- Details and location of host establishment
- Total charges including taxes (i.e, credit card used)

2. **Proof of stay:** email/message confirmation from the AirBnB host establishment substantiating that the claimant did stay at their establishment during the indicated period.

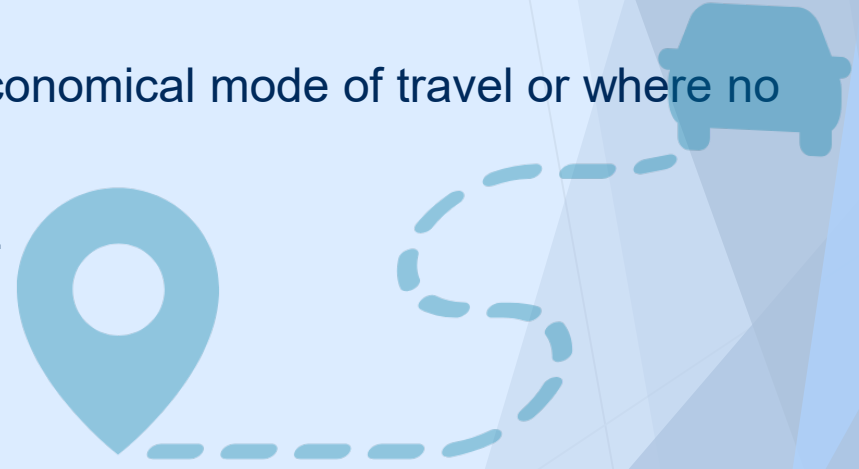
Automobile – Personal and Rentals

Recommended for round trips up to 500 km.

For trips greater than 500 km, reimbursement is capped at the cost of economy air travel rate (by the most direct route) or rail fare with standard lower berth or roomette, whichever is less.

Personally owned:

- Recommended only for short trips where it constitutes the most economical mode of travel or where no suitable public transportation is available.
- Kilometrage rate covers maintenance, repair, towing and fuel cost.



Vehicle Rental:

- To take advantage of U of T discounts (e.g. WorkPerks), and payments should be made with the Travel and Hospitality Card.
- Eligible costs include rental, gasoline and collision damage waiver (CDW) charges; CDW is included if rental is made with Travel and Hospitality Card, additional coverage should be declined.

Meals

If reimbursed from operating funds centers, claimants can claim either:

- Meal per diems (see [expense reimbursement checklist for rates](#))
- Actual meal costs

To verify the actual meal cost, the original/itemized restaurant receipts are required as proof of payment for the reimbursement.

Points to highlight:

- the credit card receipt may be used to substantiate the restaurant gratuity
- the most senior U of T employee attending should pay for the meal
- the names of the individuals in attendance must be indicated on the claim



Alcohol

Alcohol may be provided at special social events such as:

- holiday lunches
- holiday parties
- retirement parties and other social

To be reimbursed for allowable alcohol expenses, **you require prior approval of department head.**

Moderate consumption and price point should be the standard followed.

For regular in-house meetings between University employees, no alcohol is permitted.



Any claims for alcohol related expenses must:

- include original receipts
- demonstrate responsible and prudent use of public funds
- show moderate consumption and price point
- follow the University's Alcohol Policy
- be allowable under individual Faculties/Divisions or granting agencies policies

Hospitality

There must be **clear documentation as to the business purpose** of the hospitality (e.g. taking out a guest lecturer for a meal, or interviewing a potential faculty member), including **noting the names of the individuals, or the group, involved.**

Key points in policy:

- Entertainment costs require **prior approval of department head** and must be supported by clear documentation of the business purpose of the hospitality.
- Any U of T employee hosting a business meal or other entertainment event should **limit participants to only those who can be expected to contribute directly to the accomplishment of the business purpose.**

Other Miscellaneous Allowable Business Expenses

Receipts, business reason, and some justification of claim may be required:

- Bus (Intercity) and Taxi Fares
- Conference Registration Fees
- Gratuities in reasonable amounts are reimbursable, if services have been provided in addition to those considered normal (e.g., baggage handling where excessive baggage is involved, errand services)
- Laundry, Dry Cleaning are allowable, if trip is in excess of 14 days and costs are reasonable considering the purpose of the trip
- Telephone, FAX and Photocopy Charges - Employees travelling on extended business trips may telephone their home at reasonable intervals at the University's expense.
- Tolls/Parking



Non-Reimbursable Items

Under any circumstances, the following are not reimbursable:

- Traffic fines, including, but not limited to parking and speeding
- Service charges (e.g., annual card fees) on personal credit cards and late payment charges (e.g., interest) on both personal credit cards and Corporate Travel and Hospitality Card
- **Personal items and entertainment expenses** (e.g., movies, hotel exercise facilities, sporting events, magazines, books, medication, shampoo, sunscreen, chewing gum)



Completing the Expense Reimbursement Form



1. **Complete all of the required information** on the Expense Report form.
2. Organize receipts/proof of payment in the order of presentation of the item on the claim form.

NOTE: In the case of many receipts, review of the claim can be completed more efficiently if the receipts are summarized, numbered and the numbers are entered on the claim form.

3. The business purpose of each receipt should be clearly indicated on the receipt (including names of individuals if applicable).
4. Sign the form. Refer to **Signature Requirements** slide for guidance.

Claimants with a valid personnel number and active status staff appointment in HRIS are encouraged to use the **ERDD – Web application**.

Common Errors Caught by Internal Audit

Internal Audit is mandated to assess departmental compliance with policy on a random basis.

Common Reimbursement Errors:

- Missing itemized receipts or supporting documentation (i.e., too much reliance on Missing Receipts form)
- Receipts in foreign languages without descriptions and clarifications of expense
- Ineligible support documentation
- Ineligible expense claims (e.g., Visa late payment charge, personal items)
- illegible supporting documentation
- Inaccurate calculations:
 - Difference between Visa and supporting invoices
 - Difference in amount claimed vs. supporting invoices
- Incorrect method of reimbursement (e.g., using accountable advance vs. expense reimbursement)
- Untimely settlement of accountable advance (e.g., more than 3 weeks)



Contact Information & Additional Resources



- **FAST General Mailbox** – fast.help@utoronto.ca
- [Faculty FAST Team Representatives List](#)

- [GTFM Policy – Financial Information System \(FIS\)](#)
- [Knowledge Centre](#)



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