



The Ontario government recently 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 guide to financial management (GTFM) already meet the new directives, some necessary and essential changes are required.

Please carefully read the four key changes outlined in this guide, to understand how they will impact you and your department's business practices.

CHANGES TO REIMBURSABLE EXPENSE POLICY

Per Diems Related to Meals and Accommodations

The new directives include mandatory requirements for itemized receipts for all expenses funded directly from the Ontario Government, including meals and accommodations.

Therefore, the University is no longer permitted to provide meal or accommodation per diems to faculty and staff for travel claims that will be expensed in any operating fund accounts.

How this affects you:

- You will need to provide original receipts for all travel-related expenses, including meals, that will be expensed in any operating fund accounts. Per diems may be expensed in all other funds, such as research, as long as they are not funded by any agency or ministry of the Ontario Government.
- This change comes into effect January 1, 2012.



Expenses Related to Alcohol

The University permits alcohol as a reimbursable expense for business entertainment with individuals who are not employees of the University and for internal special events (holiday lunches or parties, retirement gatherings and/or other special events) involving only University employees.

How this affects you:

- You will need to provide original receipts for all alcohol related expenses. Responsible and prudent use of public funds should be considered when requesting reimbursement for alcohol and should be based on sound judgement with moderate consumption and price point. Any on campus event that includes the provision of alcohol must follow the University Alcohol Policy which can be found at: www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun262003.pdf
- Please note that individual Faculties or Divisions are free to enact more restrictive rules around the provision and reimbursement of alcohol.
- This change comes into effect January 1, 2012.

Contracting Consultant Services

The new directives provide a clear definition of what a consultant (or consultant service) is and provide very strict rules as to how their services may be procured.

Therefore, a key change in the U of T procurement policy is the adoption of the government's clear definition of a "Consultant" or "Consulting Service":

"Consultant" means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

"Consultant Services" means the provision of expertise or strategic advice that is presented for consideration and decision-making.

How this affects you:

- If you are contracting a person/service that provides expert or strategic advice that you use to assist in decision making – that is a consultant. You must then get 3 quotations. If you anticipate, that the fees will exceed \$100,000 over the entire scope of the project with a consultant service, you must go through a full public competitive procurement process (i.e. an RFP).
- Any exception up to \$1,000,000 must be approved by the President and any exception over \$1,000,000 must be approved by the Business Board.
- You must also ensure that under no circumstances can food, beverage, accommodation, transportation, parking, gratuities, laundry, dry cleaning and personal telephone calls be itemized and paid as part of any contract between the University and a consultant or separately reimbursed.
- These changes are currently in effect.

For example:

- If you are contracting an expert to provide research or business strategy assistance, you are contracting a consultant.

- Contracting with a subject matter expert to perform a department or accreditation review would be categorized as a service, not a consultant service.

Contracting Licensed Professional Services

The new directives allow for BPS organizations to purchase licensed professional services non-competitively (not requiring additional quotations or the issuing of a competitive procurement process). Licensed professionals are engineers, architects, land surveyors, lawyers, veterinarians, dentists, pharmacists, nurses, medical doctors, and accountants.

The University has adopted this directive, with the understanding that additional documentation and sign-off are necessary.



How this affects you:

When purchasing Licensed Professional Services you must:

- Ensure it is a service on the list of licensed professionals above.
- Ensure you are completing the necessary documentation by using a sole source form, selecting the "licensed professional" condition, with signatures from both the sponsor and one-up signoff. (The sole source form is available on the Procurement Services website at www.procurement.utoronto.ca/forms).
- When you use a professional service through the licensed professional provision on the sole source form, they must only perform functions for which they are licensed. If services provided fit the definition of a consultant, then you must follow the rules for contracting consultant services.
- These changes are currently in effect. Details of the new Procurement Policy can be found at: www.procurement.utoronto.ca/policies

For more information about Changes to Procurement Policy, please contact Eddy Jin at 416-978-6300 or e.jin@utoronto.ca.