

# Payments to Indigenous Payees Guidelines

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## Acknowledgements

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years, it has been the traditional land of the Huron-Wendat, the Seneca, and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.

We also wish to acknowledge the generous efforts provided by the following units, for their valuable knowledge, advice, and review: the Office of Indigenous Initiatives, the Indigenous Payees Honoraria Working Group, the Financial Services Controller, Benefits, Pension & Payroll, University of Toronto Scarborough Financial Services, Procurement Services, the Financial Advisory Services and Training team, Strategic Initiatives in the Office of the Chief Financial Officer, and the Business Officers Influence Council.

## Background

In early 2023 the Business Officers Influence Council (BOIC) highlighted several challenges in making payments to Indigenous payees and highlighted different divisional approaches and a lack of specific guidance in the Guide to Financial Management. Simultaneously, the Office of Indigenous Initiatives had convened a group of Indigenous partners to discuss challenges experienced by Indigenous payees with a similar goal of removing barriers and clarifying pathways for payments to Indigenous individuals and vendors.

In September 2023 Financial Services, in partnership with Office of Indigenous Initiatives, began the work of identifying and gathering pain points in payment processes for Indigenous payees through a survey to Business Officers. Survey responses showed that there was often a lack of clarity around whether payments could be made in cash, how to process payments without a Social Insurance Number (SIN) or birth date if the Indigenous payee chose not to provide them, and how to handle cultural requests which are not typically included in the [Guidelines for Travel and Other Reimbursable Expenses](#). It was also noted that there are instances where an Indigenous partner may not have access to banking facilities, where Pow Wow dancers typically expect to be paid in cash, and where the net 35-day payment terms are problematic. Quotes included:

*“My recommendation would be to come up with a final process document/decision tree that may be used by any division or department using a standardized approach.”*

*“If the Indigenous Community Member [declined] to provide their personal information, such as SIN, date of birth, it is difficult to find the right resource to address payment questions; how do we proceed with a payment to individual and follow policy?”*

The survey responses and the scenarios above point to a need for increased payment flexibility from the University of Toronto to support relational engagement and community partnership. To address the concerns raised, Financial Services established a working group to think about scenarios and key decision points that needed to be addressed by the University of Toronto. This working group, which includes members from the Office of Indigenous Initiatives, Payroll, Procurement, the Controller and Financial Advisory Services and Training (FAST) was convened to approach the following objectives:

- To reduce barriers to participation for Indigenous partners.
- To simplify payment processes and increase speed of payment to Indigenous payees.
- To provide increased guidance and clarity around identified pain points, such as the ability to provide payment in cash.
- To offer flexibility where cultural sensitivities arise, such as when it is not possible to provide a SIN.
- To support financial administrative staff in decision-making.
- To provide guidance for unique payment scenarios, such as Pow Wow dancers.
- To provide a coordinated approach with Office of Indigenous Initiatives, Payroll, Procurement, Controller and FAST.

## Document Overview

This document provides a set of resources that are collectively aimed at reducing barriers to payment processes and honoraria for Indigenous partners who work with the University of Toronto. These resources incorporate current Canada Revenue Agency (CRA) tax rules and regulations, the University of Toronto's Guide to Financial Management, and Payroll and Benefits guidelines and policies.

While this document addresses some immediate challenges that Indigenous payees and financial officers face, it acknowledges there may need to be a further review of the University of Toronto's payment processes and guidelines. Nevertheless, these resources are a foundational step and give the university an opportunity to gather feedback and guidance to build upon.

This document is a 'live' document that will be periodically updated. We welcome feedback, particularly if you have experienced barriers related to payments that have not been addressed in this document.

This document is intended as a resource for common scenarios University of Toronto staff, faculty, and librarians may encounter with respect to making payments and honoraria to Indigenous community members. For questions outside this scope, contact the [FAST mailbox](#) who will escalate scenarios not covered in this document to the working group for consideration and advice.

## Terminology

**EFT:** A payment made via electronic funds transfer.

**Elder, Knowledge Keeper or Traditional Teacher:** An Elder, Knowledge Keeper or Traditional Teacher holds traditional knowledge and teachings, they have been taught how to care for these teachings and when it is and is not appropriate to share this knowledge with others.

**Employee accountable advance:** An [accountable advance](#) is a cash payment to an individual to cover future expenditures after all other university payment options have been examined. Accountable advances are issued only under the approval of a Principal, Dean, Director, or Chair, and must be recorded against a university employee number.

**FIS:** Financial Information System.

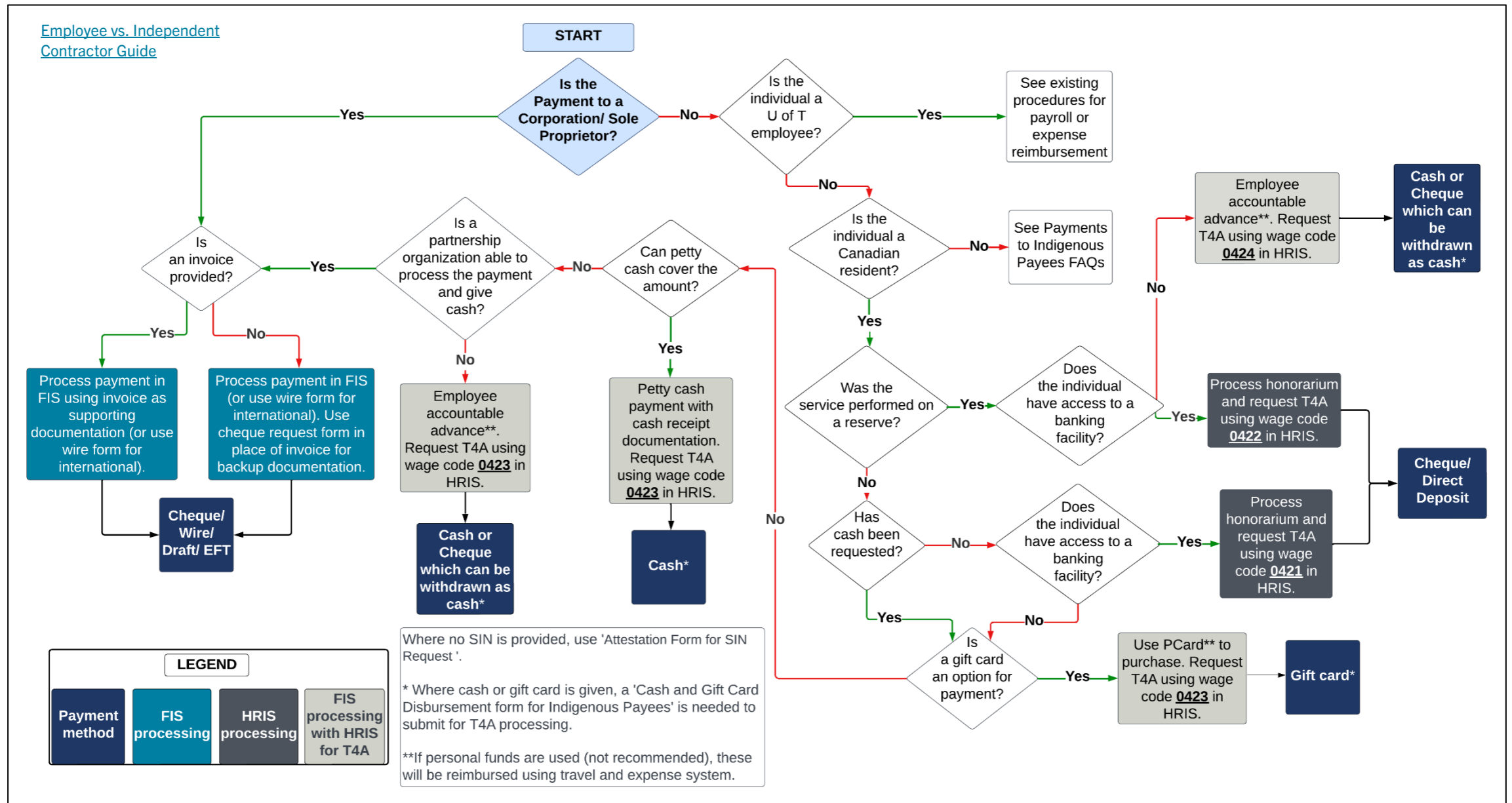
**Honorarium:** A voluntary payment made to a person for services for which fees are not legally or traditionally required. An honorarium is typically a 'thank you' gesture used to help cover costs for individuals such as volunteers or panel members, and it is usually taxable.

**HRIS:** Human Resources Information System.

**Imprest Expenditure Bank Account:** A bank account that addresses one alternative for handling small dollar purchases in a department for expenditures of \$500 or less. See [this link](#) for more information.

**Indigenous Supplier:** An individual or business entity that is at least 51% owned, managed, and controlled by Indigenous Peoples.

# Decision Tree for Making Payments to Indigenous Payees



# Frequently Asked Questions

## Indigenous Suppliers

### 1. What is the definition of an Indigenous supplier?

- A business at least 51% owned, managed, and controlled by Indigenous Peoples.

### 2. Are there different payment terms for Indigenous suppliers?

- Financial Services is committed to reducing barriers to payments for Indigenous suppliers. Procurement Services offers **net 7 days payment terms** for Indigenous suppliers who are already set up in the Financial Information System (FIS).
- If you know of a supplier who is Indigenous, is already set up in FIS, but who is not yet identified as Indigenous, you can send your request to [purchasing.help@utoronto.ca](mailto:purchasing.help@utoronto.ca) to have them included in these payment terms.

### 3. I pay an Indigenous supplier regularly and want to get them onboarded on to EFT, how do I do this?

- Visit [this link](#) to suggest a vendor for onboarding to EFT. Note that it takes time to onboard a vendor to EFT, so if there is a payment due it is best to do a cheque request while the vendor is being onboarded.

## Collecting Confidential Information

### 4. If an Indigenous individual provides their Social Insurance Number (SIN) for an honoraria payment, how do I handle this data securely?

- Based on the Data Classification Standard, “SINs are Level 4 data, and in combination with other personal information could lead to identity theft. Collection, storage, processing and sharing of SINs must be done in a secure manner and in accordance with U of T’s Information Security Control Standard and Freedom of Information and Protection of Privacy Act (FIPPA) requirements.”
- **A SIN should only be collected verbally and entered directly into HRIS. Do not email SIN information.**
- Please visit the University of Toronto [Information Security](#) site regarding data classification standards.

### 5. What if I cannot obtain an individual’s Social Insurance Number (SIN)?

- Generally, a Social Insurance Number (SIN) is required for any honoraria payments processed through HRIS, regardless of the dollar amount. However, sometimes an individual may not feel comfortable sharing their SIN. Given there are sensitivities around requesting someone’s SIN, we recommend using the phrasing ‘Are you willing to provide your SIN?’.
- If someone declines to provide their SIN, please complete an [Attestation Form for SIN Request](#) and submit it in HRIS as supporting documentation.
- To process the honoraria, you will need to contact HR to set up an account with a filler SIN:
  - UTSC: [payroll.utsc@utoronto.ca](mailto:payroll.utsc@utoronto.ca)
  - UTM: [payroll.utm@utoronto.ca](mailto:payroll.utm@utoronto.ca)

- St. George campus: <http://uoft.me/hrsc>

## **6. What if I am in a remote location and giving cash and cannot input SIN directly into HRIS?**

- Do not take SIN details if they cannot be directly entered into HRIS. Consider arranging a time to follow up by phone when you can enter the SIN directly into HRIS.
- If a phone call later is not possible, please complete an [attestation form](#) that you were unable to obtain a SIN and submit it in HRIS as supporting documentation when you are back in front of a secure computer.

## **7. What if I am not able to obtain an individual's date of birth?**

- To set up a profile in HRIS it requires the individual's date of birth. If you are unable to request the date of birth or if the individual does not wish to provide it, you will need to contact HR to set up an account with a filler date of birth.
  - UTSC: [payroll.utsc@utoronto.ca](mailto:payroll.utsc@utoronto.ca)
  - UTM: [payroll.utm@utoronto.ca](mailto:payroll.utm@utoronto.ca)
  - St. George campus: <http://uoft.me/hrsc>

## **Honorarium Payments**

### **8. How should I manage payments to Pow Wow dancers?**

- Pow Wow dancers are a unique payment scenario where dancers typically only engage with the university annually and require payment in cash.
- This can involve large numbers of dancers and is often for smaller payments.
- To reduce administrative burden, we recommend that these are processed through FIS and NOT inputted into HRIS for a T4A.
- However, if the dancers engage in any other activities with the university (not Pow Wow dancing) then payments will go through the decision tree and be inputted into HRIS for a T4A.
- This exception ONLY applies to Pow Wow dancers and does not apply to other groups.

### **9. I would like to invite an Elder or Traditional Teacher to provide a welcome and opening remarks at a panel I am hosting. How do I know how what an appropriate amount is to give?**

- Refer to the [Guide for Services Rendered by Indigenous Community Members](#) table.
- You can also get in touch with the Office of Indigenous Initiatives if you need more guidance.

### **10. I am looking to compensate research participants, what should I know?**

- For information about appropriate compensation scenarios relating to research participants please visit: [Compensation & Reimbursement of Research Participants](#). This guidance highlights ethical considerations for amounts and forms of compensation. In order to process the payments and reduce barriers, you can use the Indigenous Payees Decision Tree.

### **11. Can I use an Imprest Expenditure Bank Account for payments of honoraria to Indigenous payees?**



- Yes, honoraria for Indigenous payees can be paid out of Imprest Expenditure Bank Account. Payments to an indigenous individual should be no more than \$500. Use [wage code 0423](#) to generate a T4A.

## 12. What should I do if I have been asked to pay a charitable donation rather than an honorarium to an individual?

- Please speak to the individual and confirm that we cannot make charitable donations on an individual's behalf. We can, however, process an honorarium to the individual and they can decide to give that to a charity of their choice.

## Paying Non-Residents

### 13. What do I need to know about paying an Indigenous non-resident for work performed in Canada?

- All payments to non-residents processed in HRIS or as foreign currency in FIS will generate a T4A-NR.
- There is no SIN required.
- Where there is no date of birth provided (required for HRIS), then a filler date of birth can be entered by HR.
  - UTSC: [payroll.utsc@utoronto.ca](mailto:payroll.utsc@utoronto.ca)
  - UTM: [payroll.utm@utoronto.ca](mailto:payroll.utm@utoronto.ca)
  - St. George campus: <http://uoft.me/hrsc>
- Foreign currency cannot be generated in HRIS, so if foreign currency is needed, then it must be processed in FIS. These payments will be picked up by HRIS and a T4A-NR will be generated, there is no need for processing in HRIS. Please visit non-resident [T4A/T4A-NR guidance](#). See section C.
- If cash is required in either CAD or a foreign currency, please use an [Employee accountable advance](#), convert the currency (if needed) and then give cash in the appropriate currency and use the cash and gift card disbursement form. For more information, please visit non-resident [T4A/T4A-NR guidance](#). See section C or E, depending on currency.

## Cash Payment Methods

### 14. How should I go about making a payment in cash, and are there considerations I should keep in mind?

- Cash should only be used as a last resort when all other payment methods have been exhausted.
- Use the Decision Tree for Payments to Indigenous Payees to ensure that you have considered all available options.
- When cash is required, consider the following:
  - Employee safety when withdrawing large sums of cash from a bank, and when travelling with cash.
  - Have the recipient complete a [Cash and Gift Card Disbursement Form](#), if possible.

### 15. The Decision Tree says that I should do an Employee Accountable Advance. What do I need to know about Employee Accountable Advances?

- The request should be submitted no more than 3 weeks prior to the time the funds are required. Once the form has been completed (see below) processing turnaround is approximately 5 business days.
- An [employee accountable advance request form](#) must be completed and be signed by the head of the unit to which the individual is affiliated.
- All requests must include an expense breakdown of how the funds are anticipated to be spent.
- The department is ultimately responsible for the repayment of the accountable advance; therefore, it is recommended that departments track any outstanding accountable advances relating to their staff.
- For more information see the [full guidance on accountable advances](#).

**16. The Administrative Accountability Forms asks me to verify that the current limit per individual purchase from a petty cash fund is no more than \$100. Does this apply to cash honorarium payments I am making to Indigenous individuals?**

- Yes. You cannot exceed the \$100 limit, but petty cash funds can be used for Indigenous honorarium payments of \$100 and under.

**17. A partnership organization can process the payment and give cash to Indigenous Payees. However, the organization is reluctant to do this. How should I handle this?**

- Processing payments is administrative work, and it is reasonable if the partnership organization does not wish to undertake it.
- Continue along the path on the Decision Tree and use the [employee accountable advance request form](#) get the funds and administer it yourself.

## Non-Competitive Purchasing

**18. I would like to purchase Indigenous goods or services; how do I go about this?**

- The University of Toronto recognizes that there may be circumstances where neither invitational nor open competitive procurement can be used as the procurement method. In these cases, a Procurement Policy Exemption may be permitted.
- A [Procurement Policy Exemption Justification Form \(PPEJ\)](#) is required if competitive quotations are not possible when the total value exceeds **\$10,000**.
- If purchasing any goods or services from an Indigenous supplier, you can use this form and select **NAP-J** in **Table 2**. This selection corresponds to item J in the table of Non-Application Provision Codes: “Procurement with respect to Aboriginal peoples.”

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### Purchase Details

Short description of purchase

Recommended Supplier

Has the Recommended Supplier previously received a non-competitive award for this request?  Yes  No

<b>Category</b> <input type="checkbox"/> Goods <input type="checkbox"/> Services <input type="checkbox"/> Consulting Services <input type="checkbox"/> Construction	<b>Payment Frequency</b> <input type="radio"/> One-time-only payment <input type="radio"/> Ongoing, with the following end date: <input type="text"/>	<b>Procurement Policy Exemption</b> Referring to the Limited Tendering Exception and Non-Application Provision Tables, select the applicable code (LTE-Bii, NAP-D, etc.):  <b>TABLE 1:</b> Limited Tendering Exception: <input type="text"/>
<b>CFI Funded</b> <input type="radio"/> Yes <input type="radio"/> No	<b>Total Estimated Value (CAD)*</b> <input type="text"/>  * Pre-tax, includes full contract term & extension options, warranties, maintenance, training etc.	or <b>TABLE 2:</b> Non-Application Provision: <input type="text"/> NAP-J

## Other Expenses

### 19. How do I handle a request for a Knowledge Keeper, Traditional Teacher or Elder to have a support person help them and have their helper expenses paid for?

- Where an expenditure is culturally appropriate and helpful to removing barriers to participation, it is possible to be paid for. Typically, it is for expenses like travel costs and should be reimbursed through the [Guidelines for Travel and Other Reimbursable Expenses](#).
- If you need additional guidance on the applicability of a cultural request, contact the Office of Indigenous Initiatives: [indigenous.initiatives@utoronto.ca](mailto:indigenous.initiatives@utoronto.ca).

### 20. Can I pay for Indigenous goods and services using a PCard?

- Yes. You can use your PCard to purchase Indigenous goods.
- The PCard can be used for a variety of purchase types. For more information about the PCard program, please visit [the Procurement website](#).

### 21. I have a very complex scenario that is unique and not covered by the Decision Tree, where can I get more advice?

- Please email the [FAST mailbox](#) with your question and they will put your scenario to Payroll, Finance, and Office of Indigenous Initiatives who will give you guidance and/or other considerations.

# Guide for Services Rendered by Indigenous Community Members

Please note that the following amounts are recommended **MINIMUMS** suggested as a guide.

Activity	Description	Amount
Welcome, ceremony, prayer, opening remarks	Asking an Elder / Traditional Teacher / Knowledge Keeper, or Indigenous community member to open and or close an event, provide a welcome and opening remarks, and/or to offer prayers or blessings.	\$200 - \$250 for <1hr – 1.5hr
Honoured guest, presentation, workshop, ceremony, traditional teachings, mentoring, counseling, consultation, and support	Asking an Elder/Traditional Teacher/Knowledge Keeper, or Indigenous community member: <ul style="list-style-type: none"> <li>to attend an event as an honored guest.</li> <li>to do a presentation.</li> <li>conduct a ceremony.</li> <li>to share a traditional teaching.</li> <li>to share Indigenous knowledge or provide advice.</li> <li>be present for mentoring, counseling, or provide support.</li> </ul>	<ul style="list-style-type: none"> <li>\$300 - \$400 for ½ day (2 –4 hours) or less</li> <li>\$500 - \$800 for full day (4-8 hours)</li> </ul>
Indigenous language Translation	Asking an Indigenous community member to translate words into an Indigenous language.	\$125/hour
Indigenous cultural performance & entertainment	Asking an Indigenous artist, singer, drummer, and other performers to attend a ceremony or event to perform.	\$200 - \$250 per performer per event

## Please Note:

- The above-mentioned amounts are recommended minimum amounts to consider when paying for services to Indigenous community members, however consultation must take place prior to events to determine if the Indigenous member has expected rates for participation. Their customary fees should be honoured.
- Travel & Accommodation: all travel and accommodation arrangements should be coordinated in advance by the university after consultation with the Elders/Traditional Teachers/Knowledge Keepers to ensure all their needs are met. All expenses for travel and accommodations including per diem, parking costs, etc., should be paid for by the university.
- In the event that an Elder/Traditional Teacher/Knowledge Keeper requests to have a support person present and attend events with them, it is respectful for the university to cover the costs of travel and accommodation for the support person as well.

# Resources

[Guide to Financial Management \(GTFM\) | Financial Services](#)

[Office of Indigenous Initiatives](#)

[Compensation & Reimbursement of Research Participants | VPRI](#)

[Interpretive guidance on handling of social insurance numbers \(SINs\) | Information Security](#)

[Procurement Policy Exemption Justification Form | Procurement Services](#)

[Suggestions for EFT vendor onboarding | Procurement Services](#)

[Identifying Indigenous Suppliers for Reduced Payment Terms' MS form | Procurement Services](#)

[U of T's Diverse Supplier Portal | Procurement Services](#)

# Appendix: Cash and Gift Card Disbursement Form



## CASH AND GIFT CARD DISBURSEMENT FORM FOR INDIGENOUS PAYEES

### RECIPIENT INFORMATION

DO YOU IDENTIFY AS INDIGENOUS?  YES  NO

FIRST NAME:  
ADDRESS:

LAST NAME:

CITY:

PROVINCE/STATE:

COUNTRY:

POSTAL/ZIP CODE:

PHONE NUMBER:

ARE YOU WILLING TO PROVIDE YOUR SIN TO U OF T?  YES\*  NO

ARE YOU WILLING TO PROVIDE YOUR DATE OF BIRTH TO U OF T?  YES\*  NO

*\*If yes, SIN and/or date of birth will be requested verbally and directly entered into HRIS.*

RECIPIENT SIGNATURE:

DATE:

### PAYMENT INFORMATION

**(to be completed by employee)**

SERVICE PROVIDED:

DATE SERVICE WAS PROVIDED:

AMOUNT IN CAD:

WAS THE SERVICE PROVIDED ON A RESERVE?  YES  NO

# Appendix: Attestation Form for SIN Request



## ATTESTATION FORM FOR SIN REQUEST

**(to be completed by employee)**

For cheques, direct deposits, and verbal declines.

### RECIPIENT INFORMATION

RECIPIENT FIRST NAME:

RECIPIENT LAST NAME:

DATE SIN WAS REQUESTED:

*BY SIGNING BELOW, I CONFIRM THAT THE RECIPIENT DECLINED TO PROVIDE THEIR SIN:*

EMPLOYEE NAME:

EMPLOYEE SIGNATURE:

### PAYMENT INFORMATION

**(to be completed by employee)**

SERVICE PROVIDED:

AMOUNT IN CAD:

DATE SERVICE WAS PROVIDED:

WAS THE SERVICE PROVIDED ON A RESERVE?

YES

NO

## Appendix: T4A Wage Types Guide

Wage Type	Wage Type 25-character code	Description	T4A Box
0421	Indigenous non-res pay	<p><b>Payment to an Indigenous recipient for a service not performed on a reserve.</b></p> <p>For scenarios where <i>all</i> are true:</p> <ul style="list-style-type: none"> <li>• The payment is not to a corporation or sole proprietor;</li> <li>• the recipient is not a U of T employee;</li> <li>• the recipient is a Canadian resident;</li> <li>• the service was not performed on a reserve;</li> <li>• cash has not been requested;</li> <li>• the recipient has access to a banking facility.</li> </ul>	28
0422	Indigenous Res Payment	<p><b>Payment to an Indigenous recipient for a service performed on a reserve.</b></p> <p>For scenarios where <i>all</i> are true:</p> <ul style="list-style-type: none"> <li>• The payment is not to a corporation or sole proprietor;</li> <li>• the recipient is not a U of T employee;</li> <li>• the recipient is a Canadian resident;</li> <li>• the service was performed on a reserve;</li> <li>• the recipient has access to a banking facility.</li> </ul>	144
0423	Indigenous NR cash no pay	<p><b>Cash or gift card payment to an Indigenous recipient for a service not performed on a reserve.</b></p> <p>For scenarios where <i>all</i> are true:</p> <ul style="list-style-type: none"> <li>• The payment is not to a corporation or sole proprietor;</li> <li>• the recipient is not a U of T employee;</li> <li>• the recipient is a Canadian resident;</li> <li>• the service was not performed on a reserve;</li> <li>• cash has been requested.</li> </ul>	28
0424	Indigenous Res no payment	<p><b>Cash payment to an Indigenous recipient for a service performed on a reserve.</b></p> <p>For scenarios where <i>all</i> are true:</p> <ul style="list-style-type: none"> <li>• The payment is not to a corporation or sole proprietor;</li> <li>• the recipient is not a U of T employee;</li> <li>• the recipient is a Canadian resident;</li> <li>• the service was performed on a reserve;</li> <li>• the recipient does not have access to a banking facility.</li> </ul>	144