

FINANCIAL INFORMATION SYSTEM

UTSC TRAINING



UNIVERSITY OF
TORONTO



Learning Objectives

Managing Travel & Other Reimbursable Expenses

- Understand the General Principles & Guidelines Governing Reimbursable Expenses
- Understand Approval Hierarchies, and Alternate Approval
- Understand Methods of Paying for Reimbursable Expenses
- Determining what expenses are allowable and not allowable
- Understand tax codes and tax treatment of reimbursable expenses
- Understand Common Errors Identified by Internal Audit

Appendix – FIS Reporting Questions

- Locating payment status
- Open forum for reporting scenarios



General Principles & Guidelines Governing Reimbursable Expenses

- 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.

That individual could be:

- an employee
- a student
- a visitor to the University
- or anyone else on University business

GTFM Policy: Travel and Other Reimbursable Expenses

General Principles & Guidelines Governing Reimbursable Expenses



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.

Key Points/Principles and General Guidelines (cont'd)



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 Authorizations



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 Authorizations (cont'd)



Depending on the method of reimbursement, authorization would require either a hard copy signature(s) or electronic signature(s).

- An electronic signature is acceptable where only one approving signature is required, which means that in the absence of a hand-written signature, the user ID of **the person who posted the transaction in the system** is the approving signature.
- Where two signatures are required (i.e., personal expense reimbursements require the claimant's hand-written signature and the "one up" approval with supporting receipts) the **claimant's signature on a paper form is mandatory**, while the "one-up" approval can be **either** hand-written or electronic.

[GTFM Policy: Approval Guidelines](#)

Approvals and Authorizations (cont'd)



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).

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.



Alternate Approvals

If the person who is authorized to approve a claim is not available, the claim must be approved by the person to whom that person reports (i.e., approver must be the “two-up”).

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.

- [GTFM Policy: Alternate Approvals](#)
- [Form: Delegation of Authority](#)

Alternate Approvals (cont'd)



It is up to the Division/Department to determine whether an individual is in “Acting” role as per the GTFM guidelines.

Note: When the “one-up” approver is available, he/she cannot **delegate** this authority to someone else.

Typical Approval Structure



Faculty and Staff:

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:

1. Personal credit card
2. Corporate Scotiabank Visa Travel and Hospitality Card
3. Accountable Advance

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

[GTFM Policy: Purchasing Card](#)



Personal Credit Card

1. **Personal Credit Card**: The individual may use their own credit card to pay for travel expenses.

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**)

GTFM Policy: Personal Travel and Hospitality Card

Methods of Payment – University Travel and Hospitality Card (Visa)



2. **University Travel and Hospitality Card (Scotiabank Visa)**: This is the **most cost-effective 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:

- The Visa card provides:
 - the card holder with 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

- [GTFM Policy: Corporate Travel and Hospitality Card](#)
- [FAQ: Travel and Hospitality Card Benefits](#)

Methods of Payment – University Travel and Hospitality Card (Visa) cont'd



The **Scotiabank Visa Travel and Hospitality Card** is the preferred method of payment when reimbursing employees.

It's the employee's responsibility 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 employee remains responsible for any delinquency charges; the University will **NOT** reimburse these costs
- 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

- [GTFM Policy: Corporate Travel and Hospitality Card](#)
- [QRG: Certified Invoices](#)

Methods of Payment – Accountable Advances



3. Accountable Advances: 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, from the University's view, as it requires the University to disburse cash 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 – Key Points:

- Only **one** outstanding **Accountable Advance is allowed** per individual; this ensures that relevant expenses are recorded in a timely manner.
 - If more than one is needed (i.e., because of timing of travel plans) a memo outlining the need for more than one advance, should be sent in with the second request.
- 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

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)

- [GTFM Policy: Travel and Other Reimbursable Expenses](#)
- [Expense Reimbursement Checklist: Template](#)

Allowable Expenses (cont'd)



Air Travel - Key Points:

In accordance with the policies detailed in U of T's Guide to Financial Management (GTFM) and the policies of the three main granting agencies (CIHR, SSHRC and NSERC), a **paper copy of the boarding pass is NO LONGER REQUIRED** for University travel **IF** other acceptable documentation is included in a claim as a proof of air/rail travel.

- Examples of **Acceptable Documentation (at least one of the following)**:
 - A **boarding pass** (paper or a printed copy of the image of the electronic boarding pass that clearly indicates the flight/train information)
 - **hotel bill** at the travel destination
 - **taxi/transit receipts** to/from the airport/train station
 - **meal receipts** from the travel destination
 - **certificate of conference attendance**

Frequent Flyer programs:

- Travelers may specify airline **ONLY** if airline offers the least expensive fare.
- No reimbursements can be claimed for air tickets purchased with personal frequent flyer points.

[GTFM Policy: Air and Rail Travel](#)

[Memo: UofT Travel Expenses and Airline Boarding Passes](#)

Allowable Expenses (cont'd)



Air Travel (Cont'd):

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 traveller 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.**

- [GTFM Policy: Air and Rail Travel](#)
- [GTFM Policy: Approvals](#)

Allowable Expenses (cont'd)



Automobile - Key Points:

Recommended for **round trips up to 500 km**; for trips >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.***

[GTFM Policy: Vehicle Rentals](#)

Allowable Expenses (cont'd)



Accommodations - Key Points:

- 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)
- **Gratuitous lodging allowance:**
If staying with friends/relatives while on U of T business, a gift/payment in appreciation can be made up to U of T limit, but **only if being reimbursed via an allowable funding source.**

- [GTFM Policy: Accommodation](#)
- [GTFM Policy: Reimbursement Rates](#)

Allowable Expenses (cont'd)



Impact of Ontario Expense Directives

The **Ontario** government has established directives for open, fair and transparent financial practices within all Broader Public Sector (BPS) Organizations, including U of T.

Compliance with these directives is mandatory.

Specific changes to the GTFM as a result of the Ontario Expense Directive:

1. Per diems related to meal and accommodations
2. Expenses related to alcohol

Allowable Expenses (cont'd)



Impact of Ontario Expense Directives: Meal/Accommodation Per Diems

1. Claimants can **choose to be reimbursed using either** of the following options regardless of funding source (unless disallowed by granting agency):
 - **Per diems** meal allowances when on UofT business-related travel
 - **Actual meal costs** supported by **original itemized receipts**

Note: Per diem allowance is **never available where meals are included as part of another reimbursable item** (e.g., conference fees).

- [Memo: Revised BPS Expense Directive – Per Diems](#)
- [GTFM: Reimbursement Rates \(Per Diem Meal Allowance\)](#)

Allowable Expenses (cont'd)



Meals - Key Points:

- **Actual costs:** original restaurant receipts are required for reimbursement of actual expenses (e.g., detailed restaurant bill)
 - 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**
- **Per diem allowance:**
The University permits meal per diems for travel claims regardless of funding source, unless disallowed by granting agency.
Note: The per diem meal rates change as of Feb 1st, 2020. In addition, for **long-term travel in excess of 30 consecutive days in one location**, the meal allowance rates will be reduced to **75% of the applicable per diem rate**.

Allowable Expenses (cont'd)



Impact of Ontario Expense Directives: Alcohol Related Expenses

U of T permits alcohol reimbursements for business entertainment with individual who are not employees of U of T and for internal special events (e.g. holiday lunches or parties, retirement gatherings, etc.) involving only U of T employees.

Any claims for alcohol related expenses must:

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

[U of T Policy: University Alcohol Policy](#)

Allowable Expenses (cont'd)



Hospitality (Entertainment) - Key Points:

- 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.
- Home entertainment:
 - Upon approval of the department head, an employee may entertain business guests in ones home if it serves a specific business purpose.
 - Entertainment of fellow employees will be considered personal and not reimbursable.

Allowable Expenses (cont'd)



Miscellaneous Business Related Items – Key Points:

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**

- [GTFM Policy: Allowable Miscellaneous Business Related Items](#)
- [GTFM Policy: Professional Expense Reimbursement Allowance](#)

Non-Reimbursable Items



Non - Reimbursable Items – Key Points:

Items that are not specifically incurred or necessary for a trip related to U of T business.

Common Non-reimbursable Items:

- Traveler medical insurance
- Excess baggage charges

NOTE: For these travel expenses to be eligible for reimbursement, **written justification** is required, along with the employee expense reimbursement request, stating **why these costs were specifically incurred and necessary** for the trip.

[GTFM Policy: Summary of Non-Reimbursable Items](#)

Non-Reimbursable Items (cont'd)



List of Non-Reimbursable Items – *under any circumstances!*

- **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 entertainment** expenses (e.g., movies, hotel exercise facilities, sporting events, magazines, books)

[GTFM Policy: Summary of Non-Reimbursable Items](#)

Other Matters (cont'd)



Foreign Exchange – Key Points:

Where **proof of payment** is not available:

- the department should assess the reasonability of the rate by comparing it to the prevailing rate at the time the expenses were incurred

For **rates that are not available in FIS**:

- refer to the currency converter on the XE.com website

Other Matters (cont'd)



Receipts/Proof of Payment – Key Points:

- The receipt/proof of payment must be original and clearly identify the purchases.
 - Where the receipt does not provide this information, the claimant should do so (e.g., titles of publications, types of supplies)
- If the **receipt is missing**, and copies can't be obtained (i.e., from hotel) a document should be prepared/signed by the claimant that includes details of expense item (e.g., description, date of purchase, amount) and attached to the expense reimbursement claim form.
 - **IF there is no original receipt**, complete the **Missing Receipt** form located on the Financial Services >> Forms website
 - The document must also be signed by the “approver”.

- [GTFM Policy: Attach Original Receipts](#)
- [Forms: Missing Receipts Form](#)

Other Matters (cont'd)



Receipts/Proof of Payment (cont'd)

If the claimant is requesting **partial reimbursement from another organization**, and the other organization requires original receipts, U of T will:

- **accept a copy**, with a written explanation of why the original receipts are required by the other organization
- **need a declaration** that the amount being claimed from the University will not be claimed from any another organization
- **requires that a copy of the reimbursement cheque** from the other organization accompany the request for reimbursement from U of T.



Petty Cash & Expense Reimbursement Tax Codes

Petty Cash and Expense Reimbursement tax codes:

- are "blended" (i.e., are an average of different tax rates)
- are different from invoice tax codes (usually 2 letters vs. letter & #)
- should never be used on invoices

Some exceptions are E0 and ES. These can be used on reimbursements and invoices, where appropriate.

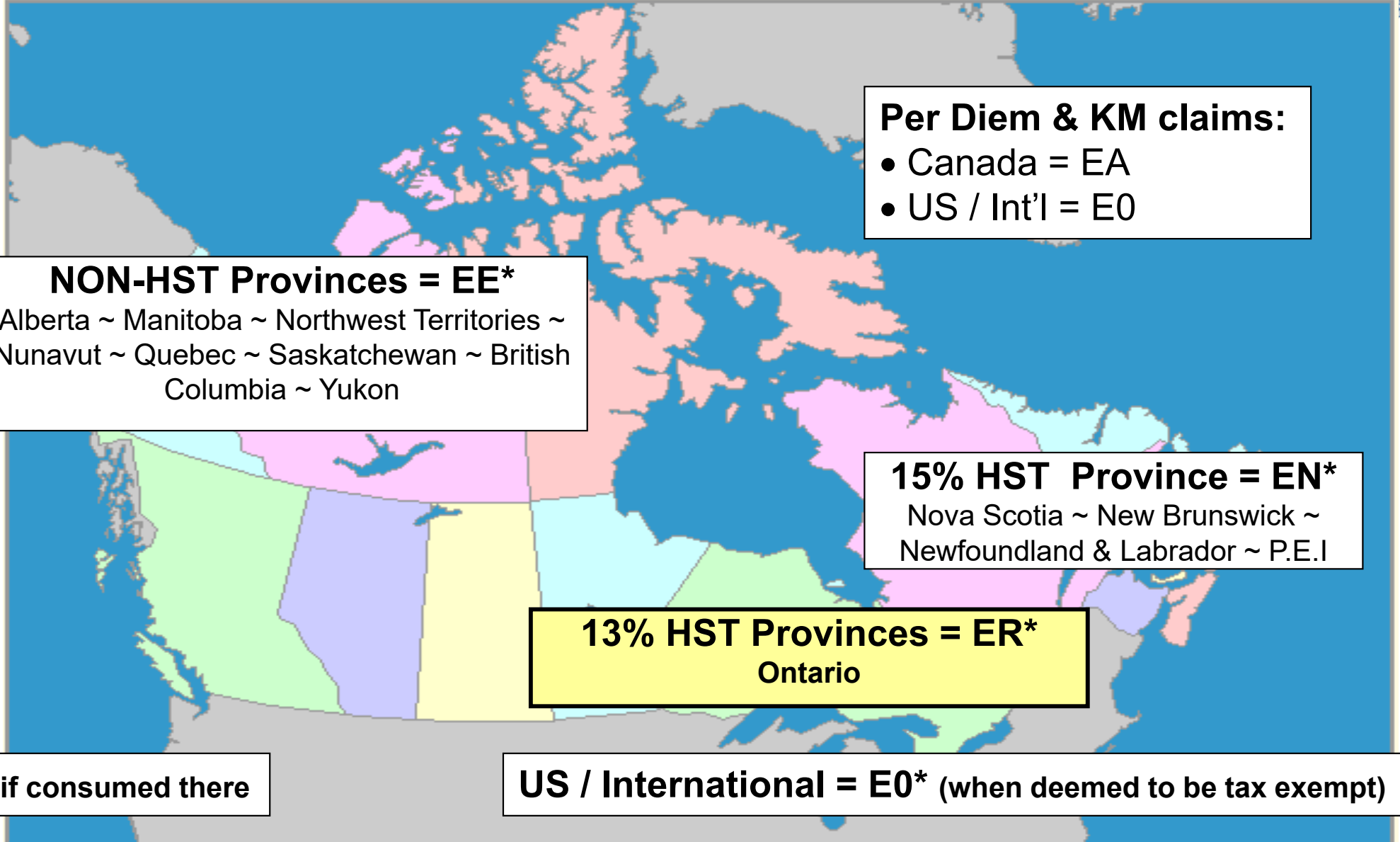
The Expense Report form has default tax codes that are associated with specific gl accounts.

Use the appropriate tax codes from the following slide for any G/L account not already on the form (e.g., 825800 - office supplies).

Note: If reimbursing for an expense that does not fit within the pre-existing categories on the form, use an appropriate **ALPHANUMERIC** tax code (e.g., E1, E4).

EXPENSE CATEGORIES	AMOUNT	G/L ACCOUNT		COST CENTER	INTERNAL ORDER
		NUMBER	TAX CODE		
AIRFARE: Attach proof of payment & proof of air travel (*)	Travel within Canada	8 4 0 1 0	ER		
	Travel to USA from Ontario	8 4 0 1 0	EE		
	All other Airfare	8 4 0 1 0	E0		
ACCOMMODATION:	ON (13%HST)	8 4 0 2 0	ER		
	PEI, NS, NF, NB (15%HST)	8 4 0 2 0	EN		
	All other provinces / territories	8 4 0 2 0	EE		
	USA / International	8 4 0 2 0	E0		
ALLOWANCE:	Per Diem: Canada	8 4 0 3 0	EA		
	Per Diem: USA / International	8 4 0 3 0	E0		
	KMS X 57 cents/km	8 4 0 4 0	EA		
RAIL/BUS:	Travel within Canada	8 4 0 5 0	ER		
	Travel outside Canada	8 4 0 5 0	E0		
PUBLIC TRANSIT	Travel within or outside Canada	8 4 0 5 5	E0		
CAR RENTAL: Attach detailed receipt & contract (*)	ON (13%HST)	8 4 0 6 0	ER		
	PEI, NS, NF, NB (15%HST)	8 4 0 6 0	EN		
	All other provinces / territories	8 4 0 6 0	EE		
	USA / International	8 4 0 6 0	E0		
MEALS: Attach detailed itemized receipts (*)	ON (13%HST)	8 4 0 7 0	ER		
	PEI, NS, NF, NB (15%HST)	8 4 0 7 0	EN		
	All other provinces / territories	8 4 0 7 0	EE		
	USA / International	8 4 0 7 0	E0		
TAXI:	ON (13%HST)	8 4 5 0 0 0	ER		
	PEI, NS, NF, NB (15%HST)	8 4 5 0 0 0	EN		
	All other provinces / territories	8 4 5 0 0 0	EE		
	USA / International	8 4 5 0 0 0	E0		

Petty Cash & Expense Reimbursement Tax Codes (cont'd)



[Tax Code Summary Table](#)

Tax Codes (cont'd)



Conference/Registration Fee Tax Codes

U of T qualifies for provincial and federal tax rebates on **HST incurred while traveling in another HST province**. As a result, when reimbursing for **conference/registration fees**, use the following tax codes:

- **ER** for conferences attended in **Ontario**
- **EN** for conferences attended in **Nova Scotia, New Brunswick, Prince Edward Island or Newfoundland & Labrador**
- **EC (self-assess OVAT portion of HST)** for conferences attended in **all other provinces or territories**
- **ES (self-assess HST)** for conferences **out of country**

[Tax Code Summary Table](#)



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 (e.g., email correspondence, research notes)
- Lack of "one-up" approval, particularly for **upgrades to business class and premium economy**
- Ineligible expense claims (e.g., Visa late payment charge)
- Inaccurate calculations:
 - Incorrect per diem
 - Difference between Visa and supporting invoices
 - Difference in amount claimed vs. supporting invoices
- Incorrect tax code used
- Incorrect method of reimbursement (e.g., using accountable advance vs. expense reimbursement)
- Untimely settlement of accountable advance (e.g., more than 3 weeks)

FIS REPORTING + OPEN FORUM



NEED HELP?

<https://easi.its.utoronto.ca/ams-help-form/>

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select the appropriate AMS module
(e.g., FIS: FAST Team)
- Complete all the information required on the form
- Click on the **Send it!** button

**Mail box is monitored Monday to Friday
9:00 a.m. - 5:00 p.m.**

Contacts



UTSC Financial Services website

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- [FIS Standard Curriculum Evaluation](#)
- [FAST website](#)