



**Laurentian**University  
Université**Laurentienne**

## **Procurement Manual**

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## Laurentian University Procurement Manual

### Purpose

The purpose of this Manual is to provide assistance to campus end users in the acquisition of all materials, goods, and services required by the University. It also aims to enhance their understanding of all University and external requirements that departments must adhere to for these acquisitions. Furthermore, it seeks to identify the role, responsibility, and commitment of the Procurement Department in acquiring value-added, appropriate, institutional-quality goods and services that meet immediate and long-term needs.

### Format:

To ensure ease of use for end users, this Manual has been structured into two main sections:

- Purchasing
- Accounts Payable

Within each section, relevant information and reference materials have been carefully organized into subsections, providing more specific details on the respective subject matter. Additionally, the Manual includes links to various websites that offer additional information and support for end users.

### Contact

For further information on this Manual, please contact:

Laurentian university

Manager, Procurement & Contracts

Phone: 705.675.1151 ext 1514

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Website: <https://laurentian.ca/policies-accountability/purchasing-policy>

## Purchasing Manual

### 1) Purchasing Policy

The Board of Governors has approved a Policy Statement for Purchasing Goods and Services, which outlines procurement principles and guidelines. The objective of this Purchasing Policy is to ensure compliance with government regulations applicable to public institutions. Accordingly, a competitive bidding approach is employed to secure the best value for goods and services, while promoting accessibility for all vendors to the University.

As per the University's policy on financial commitments, no staff member has the authority to make any purchase commitment, enter into contracts for materials or supplies, or engage in any financially binding actions with third parties, except through the designated channels as defined within the policy.

This policy also provides guidance on the procurement process for goods or services that exceed the University's defined limit of \$2,999.99 . Any orders exceeding this amount must be accompanied by a Purchase Order issued by the Purchasing department. The Purchase Order serves as a legal contract and encumbers the funds in the University's accounting system.

For any additional inquiries regarding the Purchasing Policy, please contact the University Purchasing Department.

### 2) Procurement Code of Ethics

The Laurentian University Procurement Code of Ethics aligns with the requirements set forth by the Ontario Ministry of Finance BPS Supply Chain Guidelines. It supplements other University regulations, policies, and guidelines that pertain directly or indirectly to the duty of transparency and ethical conduct expected from all publicly funded institutions. The following Procurement Code of Ethics applies to all members of the University community involved in the acquisition of goods and services as part of their duties.

Acceptance of gifts, gratuities, or favors in any form, except for gifts of purely nominal value and social entertainment in accordance with established professional ethics that do not create obligations, is strictly prohibited, as outlined in the University Gift Policy.

End user requestors are responsible for declaring any potential conflict of interest when dealing with suppliers. It is crucial for both the end user and the Purchasing staff to maintain a fair and impartial relationship with suppliers. Any non-arm's length transactions must be disclosed in accordance with the University Conflict of Interest Policy. This policy also mandates disclosure when a University employee has a material interest in a person or firm that may be awarded a contract for goods or services.

### **3) BPS Supply Chain Guidelines**

In March 2008, Ontario's Treasury Board of Cabinet directed the preparation of BPS Supply Chain Guidelines, which were to be incorporated into the funding agreements of Broader Public Sector (BPS) institutions receiving more than \$10 million per fiscal year from the Ministries of Health and Long-Term Care, Education and Training, and Colleges and Universities, starting from April 1, 2009.

These Supply Chain Guidelines were developed in consultation with BPS organizations and other stakeholders. They aim to support and enhance BPS supply chain activities by establishing two principles, a Code of Ethics, and a Procurement Policies and Procedures standard that must be incorporated into all University procurement practices. Additionally, the University is expected to adhere to a set of other leading practices, standards, and metrics in the future.

As part of the initiatives outlined in the Supply Chain Guidelines, the University has the responsibility to comply with all stated requirements and corresponding reporting directives. If you have further questions about the Supply Chain Guidelines, please contact the University Purchasing Department.

### **4) BPS Procurement Directive**

The Broader Public Sector Accountability Act, 2011 came into effect on April 1, 2011. The BPS Procurement Directive builds upon the BPS Supply Chain Guidelines (2009), which were developed in consultation with BPS organizations and received recognition in a recent report by the Auditor General.

Under this Directive, there are additional requirements and recommendations that significantly impact procurement at the University. Some key highlights include:

Competitive acquisition of consulting services, regardless of dollar value.

Establishment of an approval authority framework specifically for consulting services.

Approval from one level higher in the approval authority framework than a competitive procurement of the same value is required for non-competitive procurement of goods or services.

Effective management of BPS contracts.

For more specific information about the BPS Procurement Directive, please visit the BPS Procurement Directive website. If you have any further inquiries regarding this Directive, kindly reach out to the University Purchasing Department.

### **5) Purchasing Procedures**

All purchases made using funds from University accounts must adhere to the University's policies and procedures. This manual provides a summary of key Purchasing procedures.

a) Purchase Requisition

While the University Purchasing Department is available to assist with the procurement of all goods and services, purchases valued at less than \$2,500 may be initiated without the use of a purchase requisition.

- To initiate a purchase order, end users must:
  - Complete a University Purchase Requisition form, including the following details:
  - Supplier's name, address, phone number, fax number, and email address
  - Shipping address, including phone number, preferred shipment method, and required delivery date
  - Accurate description of the goods/services to be ordered, potential supplier, and correct price of the goods/services being purchased. The suitability of the supplier should be assessed based on quality, price, delivery, and payment terms.
  - Nature of goods/services being purchased (e.g., exclusively for research, for direct use in teaching, etc.)
  - General instructions to the supplier regarding the required goods/services
  - Date of the request
  - Complete University account number to be charged (e.g., 19250.8550)
  - F.O.B. point (if specified as part of purchase conditions)
  - Requisitioner's name
  - Signature by the appropriate signing authority of the account being charged
  - Verification of sufficient budget or grant funds available to cover the estimated cost of the goods/services

b) Competitive Bidding and Purchasing Methodology

The following chart briefly summarizes the limits and methods required:

<b>Single Item Purchase Amount (excluding taxes)</b>	<b>Method of Purchase</b>	<b>Competitive Bid Requirement</b>	<b>Purchasing Services Involvement</b>
\$0 - \$2,999.99	Procurement Card (P-Card) or Petty Cash up to \$100	Not required	Not required

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\$3,000 - \$9,999.99	Quote obtained by department or Purchasing Services	Not required	Not involved
\$10,000 - \$49,999.99	Invitational competitive procurement (minimum of three or more suppliers invited to submit a written quotation)	Required	Involvement in procurement process
\$50,000 - \$99,999.99	Invitational competitive procurement (minimum of three or more suppliers invited to submit a written quotation)	Required	Involvement in procurement process
\$100,000 - \$999,999.99	Open competitive process	Required	Involvement in procurement process
\$1,000,000 and above	Open competitive process	Required	Involvement in procurement process

Please note that for orders between \$3,000 and \$10,000, the minimum requirement is one written quote, but the University Purchasing Department may request additional quotes for better value. Additionally, for orders above \$100,000, the University Major Acquisitions Policy must be followed.



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- I. **For research grant programs funded by external agencies:** in cases where the purchasing requirements of the external funding agency differ from the University's requirements, the external funding agency's requirements will take precedence. This means that when receiving funding from external agencies, the University must comply with the specific purchasing guidelines and procedures outlined by the funding agency. It is important to adhere to these requirements to ensure compliance with the terms and conditions of the grant and to maintain a strong relationship with the funding agency
- II. **Exceptions to the Purchasing Policy:** The following items are exceptions to the purchasing policy. Procurement resources will be available to support the purchase of these goods and services where required:
  1. Contract or consulting work related to alterations, renovations, or construction, which is under the control of the University's Facility Services department. End users must contact Facility Services to arrange such work to ensure compliance with relevant codes and project requirements.
  2. Business operations of the Chemical Control Centre related to hazardous materials acquisitions and stock room services.
  3. Emergency purchases that are necessary to prevent a serious delay posing a danger to life, property damage, or suspension of essential services for the University.
  4. Insurance.
  5. Inventory goods for resale, such as those managed by the Bookstore or Food Services.
  6. Legal fees negotiated by University Counsel.
  7. Library book and collection acquisitions, including serials.
  8. ITS (Information Technology Services) selected software license renewals and maintenance/service contracts.
  9. Personnel services and employment contracts. Contact Human Resources for assistance in these areas.
  10. Taxes.
  11. Travel, entertainment, and hospitality expenses, along with associated reimbursements. Please refer to other University policies governing these expenses.
  12. Utilities, such as natural gas, hydro, and water.
  13. Purchases made as part of cooperative or joint ventures with other institutions. These purchases should follow the procedures established by the group, which may not be identical to this policy but are consistent with its intent.
  14. Exceptions designated as "Excluded Transactions" under the "Delegation of Purchasing Authority" framework.
- III. **Purchase Requisitions that Require Special Attention**

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The list of exceptions will be periodically reviewed, and any changes to the exceptions will require approval by the Vice President of Planning and Administration.

The following types of purchase requisitions require special attention or consideration:

- Requests for flowers for bereavement or illness should be placed through Human Resources.
- Requests for printing should be discussed with the University Purchasing Department to determine if in-house facilities can provide the service at a competitive price.
- Print materials must comply with University visual/logo standards and require prior approval from the University before processing the order.
- Requests for space renovations must be referred to University Facility Services for technical advice.
- Requests for computer equipment, printers, audio-visual equipment, etc., must comply with standards established by Information Technology Services/Centre for Teaching & Learning to ensure proper matching of intended use and equipment compatibility.
- Requests for consulting services must undergo competitive acquisition regardless of the dollar value.

For more information about these types of requisitions, please contact the University Purchasing Department.

#### **IV. Sole Source Procurement**

This procedure requires a written explanation from the end user, detailing why the goods or services can only be provided by the specified supplier on the Purchase Requisition. If the end user claims that only one supplier can fulfill the requirement, the competitive bid process may be waived if the criteria for a "sole source supplier" are met. The guidelines for sole source procurement are general and allow for necessary exceptions based on the Purchasing Officer's judgment.

In order for a procurement to qualify as a sole source procurement, the goods or services should meet one of the following criteria:

- **Compatibility:** The procurement is necessary to ensure compatibility with an existing product.
- **Copyrights or Patents:** The procurement is required to protect copyrights or patents.
- **Specialized Equipment:** The procurement is for the maintenance or repair of specialized equipment that must be carried out by the manufacturer or its representatives.
- **Exceptionally Advantageous Circumstances:** The procurement takes advantage of exceptionally advantageous circumstances, such as bankruptcy or receivership.
- **Lease-Purchase Agreement:** The goods are already subject to a lease-purchase agreement where payments are partially or totally credited to the purchase.

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- Scientific or Research Reasons: The product is only available from one source for scientific or research reasons, and the requisitioner accepts personal responsibility that no other product can meet the required specifications for their scientific or research needs.

For any additional questions regarding sole source procurements, it is recommended to contact the University Purchasing Department.

### **c) Purchase Order**

Once a completed Purchase Requisition is received by the University Purchasing Department, it is processed and converted into a Purchase Order.

#### **I. Purchase Order Distribution:**

- Original: Emailed or faxed to the supplier and filed in Purchasing.
- Copy: Emailed to the requesting department.

The completed requisition and corresponding backup details are attached to the original copy and filed alphabetically within the University Purchasing Department.

#### **II. Purchase Order Amendments (Change Orders):**

Changes to purchase orders must be documented through a properly authorized Purchase Requisition. The description field of the amending Purchase Requisition should be clearly marked with "CHANGE ORDER REQUEST." If the requested change affects the overall value of the purchase order, confirmation of available budget funds should be obtained before processing. The University Purchasing Department will ensure that all necessary documentation is received from the end user (e.g., quotations, letters, details of phone conversation, etc.) for the purchase order amendment.

In general, a purchase order amendment follows the same policies and procedures as the original purchase order request.

#### **III. Payment Of Purchase Order**

Upon receiving the procured goods or services, the end user is responsible for confirming that the order has been received appropriately. This process should include checking for back orders, errors, or any discrepancies. The packing slip should be retained for future reference, and the original invoice (if received) should be forwarded to the University Accounts Payable Department for further processing. It is also recommended that the end user make a photocopy of the original invoice for their own records.

Invoices will only be paid once a properly authorized original invoice, indicating that the goods or services have been received in good order, is received in the University Accounts Payable Department.

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In the case of damaged goods or short shipments, it is important to notify the supplier and/or transportation company as soon as possible. The items and corresponding packaging should be retained for further inspection. The University Purchasing Department should also be informed in such cases. The responsibility for damages caused during transit lies with the transportation company, and the packaging of the shipment will need to be inspected by the carrier's Claims Adjuster. The University Purchasing Department will handle the follow-up process, so all packing slips, inspection reports, etc., should be forwarded to them. An invoice will be prepared to charge the transportation company for any damage or loss.

If a shipment is short-shipped (items missing) and there is no indication that the shortage was intentional, the following steps should be taken:

- Check off the items received on the departmental copy of the purchase order and indicate any shortages or overages.
- Inform the University Purchasing Department.
- Forward copies of the supplier's packing slips to the University Purchasing Department.
- The University Purchasing Department will assist with the necessary follow-up with the supplier.

#### **IV. Return of Goods**

In the case of returning goods to a supplier, it is important to inform the University Purchasing Department. They will coordinate the return process with the end user department. End users should retain the original packing slips and packaging to facilitate the return of goods. Any restocking fees that may apply will be the responsibility of the end user department.

#### **6) Tendering**

For acquisitions of goods or services users should contact the University Purchasing Department as soon as the need is identified to receive further guidance. Specific tender documents for major projects can be developed with the assistance of the University Purchasing and/or Facility Services Departments.

All bids must be submitted in sealed envelopes with the bid number clearly identified on the outside. Bids received after the specified closing time will not be considered. The responsible University Officer will open the envelopes and record the corresponding bids. More information on the University Debriefing Procedure can be obtained from the University Purchasing Department.

## **7) Blanket (Standing) Orders**

Blanket orders are used for acquiring repetitive, low-value items where issuing a separate order for each transaction is impractical and inefficient. The items to be acquired should be identified and priced by unit where possible, and a total "not to exceed" value for the order period should be stated. If a blanket order becomes over-expanded during the fiscal year, the University Purchasing Department will inform the end user department, which can decide whether to issue another Purchase Requisition to cover the remaining funds required for the fiscal period. The University Purchasing Department must review and approve any requests for blanket orders before issuance.

It is encouraged that end users utilize a University Purchasing Visa Card whenever possible to handle the purchase of repetitive, low-value items.

## **8) Emergency Orders**

True emergency situations that have the potential to jeopardize University activities and resources are rare. In such cases where standard procedures may be inadequate, end users should contact the University Purchasing Department as soon as possible to find a practical solution.

For proposed emergency purchases with a total value greater than \$3,000, end users must complete a Purchase Requisition form and submit it to the University Purchasing Department, specifying the goods or services to be purchased. For more information on the process related to emergency orders, it is advisable to contact the University Purchasing Department.

## **9) Preferred Vendor/Travel Agreements**

The University has negotiated several preferred vendor agreements that apply to all campus end users. These agreements are aimed at leveraging purchasing power and providing enhanced levels of service to the campus community. It is strongly encouraged for end users to consider these agreements before making purchases covered by them. A current list of preferred vendor agreements can be found on the Preferred Vendor Agreements page.

The University also has travel agreements in place for hotels, car rentals, and rail travel specifically for University business use. More information about these preferred travel agreements can be found on the Preferred Travel Agreements page.

Additionally, University employees have access to other agreements through the Canadian Association of University Business Officers (CAUBO). These agreements offer discounted hotel and car rental rates for

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University members traveling for business purposes. Further details about these agreements can be found on the CAUBO website.

### **10) Purchasing Card Program**

Laurentian University has the Purchasing Card Program administered by the University procurement and Purchasing Department. In partnership with Scotiabank (Canada), provide a streamlined and efficient method for procuring University-related goods and services.

A Procurement Card is issued to full-time employees of the University. It allows direct purchasing of goods and services from suppliers within specified limits. The card is not to be used for personal purchases and has restrictions on certain items and expenses. Cardholders are responsible for selecting suppliers, placing orders, verifying shipments, and retaining receipts. Monthly statements must be reviewed, approved, and submitted along with supporting documents. The card must be safeguarded, and any loss or unauthorized charges should be reported immediately. Management and the Procurement Card Coordinator have their respective responsibilities in overseeing the program.

### **11) Regarding off-campus assets**

If University-purchased assets are loaned or relocated off campus, regardless of the funding source, end users must complete an Off Campus Asset Location Form. This form outlines the terms and conditions for the placement of the asset while off campus. The completed form should be submitted to the

### **12) The benefits of using Bulk Stores include**

University Purchasing Department for review and processing.

For procuring commonly used stationary items and supplies, the University Purchasing Department maintains a central Bulkstores area on campus.

- Daily deliveries to departments
- The ability to send orders directly to the University Purchasing Department
- Direct billing to specified departmental accounts

A catalog of available supplies in Bulk Stores can be found at the Bulk Store Catalog. The price list is updated monthly. To procure items from Bulk Stores, end users need to complete and submit a Bulkstores Order Form to the University Purchasing Department.

### 13) Furniture Stores

The University also has a Furniture Stores area where surplus furniture and equipment from departments are retained. Other departments on campus can request to view and obtain items from Furniture Stores by contacting the University Purchasing Department. A list of available items can be provided upon request. To obtain items from Furniture Stores, end users should contact the University Purchasing Department, who will assist in making the necessary arrangements for relocation. If further information or assistance is needed regarding any of these processes, end users are encouraged to reach out to the University Purchasing Department.

### 14) Disposal of obsolete or Surplus Equipment

The Surplus Equipment Program established by the University aims to responsibly manage surplus property by prioritizing the reuse of quality surplus items on campus before considering the purchase of new items. The program also ensures proper facilitation of equipment sales, donations, or disposal, while complying with acquisition, funding, and disposal regulations.

It is important to inform the University Purchasing Department about any items that are no longer needed, regardless of their value. This allows for the updating of University capital asset records and enables the redistribution of items to other departments, sale, donation, or scrapping, whenever possible. Such items may include computers, furniture, and other equipment that may hold value for other end users within the campus community. To ensure the appropriate disposal of University assets, regardless of their value, it is mandatory to process them through the University Purchasing Department. This helps make the University community aware of the availability and potential usefulness of the assets, facilitating possible transfers and ensuring the coordination of financial records with the Finance Department.

Under no circumstances should University property be removed from the campus for personal use, resale, or any unofficial purposes without going through the University Purchasing Department. This policy applies not only to discarded items but also to equipment or supplies currently in use. Additionally, this provision extends to items from students, tenants, or visitors. It is strictly prohibited to remove items from dumpsters, garbage cans, or any other disposal locations for personal use or sale.

In the event of asset sale, the University Purchasing Department will:

- Assist end users in assessing the probable value of the assets, consulting with Information Technology Services for computer equipment.
- Determine the need for external advertising.
- Assist in obtaining competitive bids for proposed sales.
- Evaluate the applicability of taxes.

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- Ensure that the University receives adequate monetary value for any sale.
- Arrange for the proper recording of transfers or sales in the University equipment records.

#### University Disposal Process:

The initial step in the University Disposal Process is for end users to complete a Surplus Materials Form. Once completed, this form should be submitted to the University Purchasing Department for review and further processing.

If the item(s) are deemed "saleable," the respective Purchasing Officer will advertise them on a Disposal Sale, granting other departments on campus the first opportunity to purchase them. If there is no interest from departments on campus, the disposal sale will be open to faculty, staff, students, and other individuals, following a "highest bidder" approach. All proceeds generated from the Disposal Sale will be credited to the selling department's account.

If the item(s) are determined to have no further value on campus, the University Purchasing Department will assist in donating the items to another organization, such as a charity or school, and make arrangements for their removal.

In cases where item(s) are considered unsaleable or undonatable, the department should notify the Facility Services Department to arrange for their removal and environmentally safe disposal. Additionally, departments are requested to inform the University Purchasing Department and provide relevant serial numbers for inventory management purposes.

For any further inquiries regarding the University disposal process, please contact the University Purchasing Department.

### **15) Year End Cutoff**

The cutoff for processing purchase orders generally takes place in mid-April of each fiscal year, as specified by the University Finance Department. This practice ensures that all goods and services are received, invoiced, and recorded by the University before the end of the fiscal period in April. It's important to note that only purchase requisitions received before this deadline will be processed within the fiscal year.

Invoices received against purchase orders before the established deadline set by the Finance Department for the fiscal period end (typically late April) should be forwarded to the Accounts Payable Department for review and processing. These invoices will be processed within the corresponding posting deadline period and charged against the budgets of that fiscal period. Any outstanding non-blanket purchase orders at the end of the fiscal period will be closed out and re-issued in the new



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fiscal period. For blanket purchase orders, new purchase requisitions should be submitted to the University Purchasing Department for review and processing during the new fiscal period.

For any questions related to the year-end cutoff process, please reach out to the University Purchasing or Finance Departments.

## Accounts Payable Manual

### 1) Requirements for Payment

The University Accounts Payable Department is responsible for reviewing documentation related to payment requests to ensure compliance with applicable University policies and procedures.

In general, the University Accounts Payable Department reviews and processes two types of payment-related documents:

- Invoice:
  - Must be original
  - Requires approval by the signing authority of the account being charged
  - Payment, as per University Policy, is due within 30 days from the date of the invoice
- Cheque Requisition:
  - Must have original receipts attached for all reimbursements
  - Requires approval by the signing authority of the account being charged

### 2) Payment Schedule / Deadlines

Payments against invoices that are due are typically issued every other Wednesday. To ensure timely payment, all invoices must be in the possession of the University Accounts Payable Department by 12:00 p.m. on the preceding Tuesday.

Payments of cheque requisitions that are due are generally issued every Wednesday. To facilitate prompt payment, all cheque requisitions must be in the possession of the University Accounts Payable Department by 4:30 p.m. on the preceding Friday.

For any further inquiries regarding Payment Processing, please contact the University Accounts Payable Department.

### **3) Responsibilities**

In the payment process, various parties have specific responsibilities for which they are ultimately accountable. Below is a summary of these respective responsibilities:

- Approver, Authorized person approving payment, responsible for verifying the following:
  - Validity of the expense as a charge against the cost center
  - Receipt of goods or services
  - No prior payment for the goods or services
  - Accuracy of the payment request
  - Assignment of the account number and providing a proper signature
  - Inclusion of all supporting details (e.g., original receipts) with the payment request
  - Ensures timely submission of the payment request
  
- Accounts Payable: Responsible for verifying the following:
  - Matching the invoice against a Purchase Order
  - Compliance of the expense with University Policy guidelines
  - Proper authority of the person approving payment
  - Timely payment of invoices and cheque requisitions
  - Appropriateness of the charge for object and subobject account numbers
  - Auditing additions and extensions

### **4) Travel Policy**

The University has implemented a Travel Policy that outlines the requirements for the reimbursement of travel-related business expenditures incurred by University employees in the performance of their duties, unless stated otherwise in their appointment terms or specific policies apply. This policy applies to all University-related travel, including research grant travel, regardless of the funding source, except when the funding agency specifies different regulations. In cases where funding agency regulations differ from University policies, the more stringent policy takes precedence.

The University Accounts Payable Department has established a Key Responsibility summary to assist all stakeholders in processing travel claims. For further inquiries regarding the Travel Policy and its requirements, please contact the University Accounts Payable Department.

## 5) Entertainment Policy

The University has established an Entertainment Policy to ensure that all hospitality and entertainment expenditures extended by the University are managed in a consistent and cost-effective manner. This policy applies to all University-related entertainment, regardless of funding source (unless otherwise indicated by that funding source) and extends to all members of the University community.

Entertainment expenses are to be approved for reimbursement by at least one administrative level higher than the person claiming reimbursement. In instances where two or more persons are in attendance at the same event, entertainment expenses must be submitted by the claimant who incurred the expense. These expenses must then be approved by a minimum of one level of authorization above the individual with the highest authority who was included in the entertainment expenses incurred.

Additional questions regarding the Entertainment Policy, and its requirements, can be referred to the University Accounts Payable Department.

## 6) BPS Expenses Directive

The Government of Ontario Management Board of Cabinet has issued the BPS Expenses Directive under the authority of the Broader Public Sector Accountability Act, 2010. The requirements set out in this Directive raise the level of accountability and transparency for designated broader public sector (BPS) organizations, contributing to greater alignment with the high standards expected in Ontario ministries and agencies.

This Directive is based on four key principles:

**Accountability:** Organizations are accountable for public funds used to reimburse travel, meal, and hospitality expenses. All expenses support business objectives.

**Transparency:** Organizations are transparent to all stakeholders. The rules for incurring and reimbursing travel, meal, and hospitality expenses are clear, easily understood, and available to the public.

**Value for Money:** Taxpayer dollars are used prudently and responsibly. Plans for travel, meals, accommodation, and hospitality are necessary and economical with due regard for health and safety.

**Fairness:** Legitimate authorized expenses incurred during the course of the business of an organization are reimbursed.

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Further information and questions regarding this Directive can be addressed by the University Accounts Payable Department.

## 7) BPS Perquisites Directive

The Government of Ontario Management Board of Cabinet has also issued the BPS Perquisites Directive under the authority of the Broader Public Sector Accountability Act, 2010. This Directive outlines provisions for allowable and non-allowable perquisites. A perquisite refers to a privilege provided to an individual or group of individuals, offering a personal benefit that is not generally available to others. The requirements outlined in this Directive enhance the accountability and transparency of designated broader public sector (BPS) organizations, aligning them with the high standards expected in ministries and agencies of the Government of Ontario.

This directive is based on three key principles:

Accountability: Organizations are responsible for the use of public funds, ensuring that all expenditures support business objectives.

Transparency: Organizations maintain transparency with all stakeholders by establishing clear and easily understandable rules for perquisites.

Value for Money: Taxpayer dollars are utilized prudently and responsibly.

Further information and questions regarding this Directive can be addressed by the University Accounts Payable Department.

## 8) Signing Authority

The University Finance Department requires that each business unit on campus submitting invoices or cheque requisitions for payment has an up-to-date Signing Authority Form on file with the University Accounts Payable Department. These forms are utilized by the University Finance Department to verify the appropriate individual(s) responsible for approving payments for the business units for which they have been granted signing authority. This process also applies in instances where a responsible Signing Authority (e.g., Dean or Director) wishes to delegate signing authority to subordinates (e.g., Department Head or Manager) for specific transactions and/or dollar limits on an ongoing basis.

In the absence of the responsible Signing Authority, it is necessary to notify the University Accounts Payable Department of the temporary replacement for signing authority. This notice should be

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submitted well in advance of the Signing Authority's departure date to avoid any unnecessary delays in the procurement cycle.

For further questions regarding the Signing Authority process, please contact the University Accounts Payable Department.

## 9) Payment Procedures

The University Accounts Payable Department has established procedures to process various payment requests.

- Invoice With Corresponding Purchase Order

The University Accounts Payable Department receives the invoice, verifies it, and records it in the University Financial Information System (FIS) against the corresponding University Purchase Order.

- The invoice is then forwarded to the responsible departmental end user for "positive approval."
  - Over \$3,000
    - This means that the invoice must be approved by the person with signing authority for the relevant account number(s) being charged.
    - The end user returns the approved invoice to the University Accounts Payable Department for further review and processing.
    - If the invoice is compliant with the policy, the Accounts Payable Department performs final processing and sets it for payment.
    - Invoices are typically paid 30 days from the date of the invoice, provided that the original invoice is approved and returned to the University Accounts Payable Department.
    - In the event that there is a problem with the goods or services, the end user should contact the supplier (and the University Purchasing Department if necessary) to resolve the issue.
  - For amounts under \$3,000
    - The University Accounts Payable Department receives the invoice, verifies it, and records it in FIS against the corresponding University Purchase Order.
    - The invoice is then forwarded to the responsible departmental end user for reference only.
    - If there is an issue with the invoice or payment, the end user department must notify the University Accounts Payable Department within five working days to hold the pending payment. Otherwise, the payment will be made as it becomes due (net 30 days as per the University's Payment Terms).

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- Invoice for Non-Purchase Order Items:
  - Usually received by the requesting end user department.
  - If the Accounts Payable Department receives this type of invoice, they will record it in FIS and forward it to the responsible end user department.
  - The end user department must provide the cost center (business unit) and account information (object account) on the original invoice.
  - The responsible signing authority of the account being charged must approve the original invoice.
  - The approved original invoice, with all relevant accounting information, is then forwarded to the University Accounts Payable Department for final review, processing, and payment.
  - For low-value non-purchase order items, end users are strongly encouraged to use a University Purchasing Card for these procurements.
  - For purchase items that exceed the transaction limit requiring a Purchase Order as per the University Purchasing Policy, departmental end users must complete and submit a Purchase Requisition to the University Purchasing Department to initiate the procurement process.
  - If an invoice is received in the University Accounts Payable Department that required a Purchase Order but did not have one, the requesting departmental end user may be contacted to further discuss the nature of the purchase, and appropriate next steps will be determined.
  
- Cheque Requisitions:
  - University Cheque Requisitions are used for all reimbursement requests (e.g., travel and entertainment expenses, registration/membership fees, subscriptions, honorariums, etc.).
  - To submit a request for reimbursement, departmental end users should complete a University Cheque Requisition Form, providing all relevant information for payment. These forms can be obtained from the University Finance Department.
  - The departmental end user is responsible for obtaining approval from the designated Signing Authority of the account(s) being charged.
  - The approved University Cheque Requisition, along with all supporting documentation (e.g., original receipts, etc.), should be submitted to the University Accounts Payable Department for further review, processing, and issuance of payment.
  
- Travel Expense Reimbursements:
  - Expense Reporting:
    - University business-related travel expenses will be reimbursed if they are reasonable in nature and amount, supported by appropriate documentation, and have been approved accordingly.

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- All travel expenses (e.g., mileage, meals, etc.) must comply with the University Travel Policy.
  - To claim travel expenses, the traveler must submit an approved Travel Expense Form within 15 working days from the completion of the trip.
  - Any delay in submission may invalidate the claim.
  - For travel in the United States and/or abroad, end users can submit a Travel Expense Form in either Canadian or U.S. currency.
  - If a trip includes travel in both the United States and Canada, two separate Travel Expense Forms should be submitted for further processing.
  - In cases where the cost of a trip is partially funded by an outside source that requires original receipts, the original receipts must be submitted first to the University Accounts Payable Department with a completed Cheque Requisition Form. The University Accounts Payable Department will then stamp and date these receipts and return them to the end user.
- Receipts:
    - Original receipts are required for reimbursement of all expenses, except for per diems and gratuitous accommodation.
    - When a receipt is required, an original, itemized document on company letterhead acknowledging receipt of payment is necessary to obtain reimbursement.
    - In cases where an original receipt is not issued or has been lost, end users must submit a copy of the credit card statement or credit card slip, along with a Lost Receipt Form. This form, along with other required supporting documentation, will then be submitted to the University Accounts Payable Department for further review and processing.
- Entertainment Expense Reimbursements:
    - Expense Reporting:
      - Entertainment expenses incurred for University-related business may include food, alcoholic beverages, and social or recreational activities.
      - All entertainment expenses must comply with the University Entertainment Policy.
      - Typically, acceptable purposes for entertaining involve a University guest, visitor, donor, or benefactor.
      - Any entertainment should be at a reasonable cost consistent with the status or rank of the guest(s), the number of persons attending, and the specific circumstances.
      - For expenses related to entertainment among employees of the University (e.g., lunch between colleagues, staff parties, etc.), end users should refer to the Allowable Expense Policy (draft).

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- To claim reimbursement, end users must ensure that entertainment expenses are recorded on the Entertainment Expense Form as soon as possible after incurring the expenses.
- Any delay in submission may invalidate the claim for reimbursement of expenses.
- The individual who approves reimbursement is responsible for ensuring that any claims for expenses are for University business-related purposes only and are in accordance with University policy.
- If entertainment expenses are incurred while traveling, they should be reported in the Entertainment Section identified on the Travel Expense Form.
- Receipts:
  - Claims must be accompanied by original receipt(s) and should include sufficient detail to identify the person(s) entertained, including name(s), university or organization affiliation, and the business-related purpose of the entertainment.
- Honorariums:
  - All payments for services rendered, including honorariums, are subject to Revenue Canada Regulations as they are considered taxable income.
  - Revenue Canada regularly audits the University to ensure that taxes are withheld according to the required regulations.
  - In compliance with Revenue Canada guidelines, the University requires the following information for all honorarium payment requests:
    - Complete address, including address, city, and postal code.
    - Social Insurance Number or other tax identifying information (e.g., Social Security Number, Foreign Taxpayer ID, etc.).
    - A deduction of 15% withholding tax will be taken (at source) from all honorarium payments to foreign residents.
- Payroll Requisitions:
  - All requisitions accompanied by invoices or other supporting payment request documentation from individuals providing services to the University will be initially reviewed by the University Accounts Payable Department.
  - The University Accounts Payable Department will confirm with the University Payroll Department whether the individual providing the service is an employee of the University.
  - The University Accounts Payable and Payroll Departments will then determine whether payment should be processed via a University payroll cheque or a general University cheque.
  - If the payment is assigned to the University Payroll Department, they will initiate and approve all requisitions and issue the appropriate tax slips as required.



## 10) Travel Advances

Travel advances are available to University employees who will incur authorized, reimbursable expenses related to approved "out-of-area travel." To request a travel advance, end users must complete and submit a cheque requisition, along with supporting documentation, to justify the request. The designated Signing Authority of the relevant account(s) must approve the cheque requisition. Sufficient time should be allowed for processing the advance within the normal payment deadlines.

It is important to note that travel advances are subject to the same applicable University policies as other types of payment requests. Ultimately, they must be supported by a Travel Expense Form upon the employee's return from travel. Failure to submit a Travel Expense Form to clear the advance within the standard 15-day period, as required by the University Travel Policy, will prompt the University Accounts Payable department to follow up with the end user department. If a travel advance remains outstanding beyond the policy requirement, any requests for additional or new advances from the end user may not be considered.

As an alternative to a travel advance, it is recommended to use the University Travel Card for University business-related travel expenses. The Travel Card allows for reimbursement of expenses incurred prior to the actual travel. For any further inquiries regarding travel advances, please contact the University Accounts Payable Department.

## 11) Petty Cash

The purpose of Petty Cash import funds is to provide a small amount of cash at various locations on campus, facilitating convenient low-dollar purchases for University business-related purposes by faculty and staff.

End user departments entrusted with a petty cash allotment are responsible for ensuring the security and control of these funds. The petty cash fund should always be kept secure in a locked place since there is no insurance coverage available to compensate for losses resulting from theft or other reasons.

To add, decrease, or replenish petty cash funds, end users need to complete an approved cheque requisition along with appropriate supporting documentation (such as original receipts) and submit it to the University Accounts Payable Department for review and processing. Additionally, end users should fill out a Petty Cash Summary of Changes Form when making any changes to the petty cash funds, including additions, reductions, or replenishments.

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In cases where University business-related supplies of the same nature are consistently purchased from the same source on a repetitive basis, the end user department should consult with the University Purchasing Department to explore alternative purchasing procedures, such as the use of the University Purchasing Card.

For any additional inquiries regarding Petty Cash Procedures, please contact the University Accounts Payable Department.

## **12) Direct Deposit for Employees and Vendors**

The University has implemented a Direct Deposit Program for all payments made to University employees and vendors.

Expense reimbursements in Canadian currency for University employees will be processed as direct deposits (electronic fund transfers) into the employee's designated bank account, which has been previously provided to the University Payroll Department. These deposits will be made according to the regular processing deadlines established by the University Accounts Payable Department. Once the deposit is made, employees will receive a confirmation email containing the specific payment details. This email will be sent to the employee's designated University email account on the day of the deposit.

Canadian-based vendors also have the option to receive direct deposits into their specified Canadian bank accounts. This payment method helps eliminate potential delays associated with handling and mailing of cheques. Additionally, it reduces the risks of payment misrouting, theft, and forgery. Therefore, Canadian-based vendors are strongly encouraged to enroll in the University's Direct Deposit Program.

Please note that all payment requests in U.S. currency (e.g., for employees and vendors) will continue to be issued by University cheque.

## **13) Wire Payments**

The University Accounts Payable Department is equipped to issue wire transfer payments in specific situations where payment will not be issued in Canadian or U.S. funds, or under other warranted circumstances. It's important to note that wire transfers require a separate process from other payment methods, such as direct deposit or cheque, and necessitate additional lead time for processing by the University Accounts Payable Department.

To request a wire transfer payment, end users must complete and submit a Wire Request Form to the University Accounts Payable Department for further review and processing.

## 14) Calculating Taxes

Effective July 1, 2010, all University purchases, where applicable, are subject to the Ontario Harmonized Sales Tax (HST). Below is additional information on calculating taxes:

HST:

- The cost of goods/services is subject to a 13% tax.
- This includes a 5% Federal tax (GST) and an 8% Provincial tax (OHST).
- The University is responsible for paying the HST on most goods/services.
- Revenue Canada allows the University to claim a 67% rebate of the actual Federal tax paid and a 78% rebate of the actual Provincial tax paid.
- Facilities (construction) and research purchases are subject to an 8% Provincial tax.
- Failure to claim applicable HST rebates may result in missed budget savings.

The University Accounts Payable Department has developed a template to assist departmental end users in determining the amounts of applicable taxes and corresponding rebates when processing payment requests.

For any further questions regarding the calculation of HST and rebates, please contact the University Accounts Payable Department.

## 15) Year End Cutoff

The cutoff for processing invoices and cheque requisitions typically takes place in late April of each fiscal year, as determined by the University Finance Department. This practice ensures that all goods and services are received, invoiced, and recorded by the University before the end of the fiscal period (April). It is important to note that only invoices and cheque requisitions received prior to this deadline will be processed within the current fiscal year.

Invoices and cheque requisitions received before the established deadline for the fiscal period end should be sent to the University Accounts Payable Department for further review and processing. These invoices will then be processed within the corresponding posting deadline period and charged against the budgets of that fiscal period.

For any inquiries related to payment and the year end cutoff process, please reach out to the University Accounts Payable or Finance Departments.

