
Guidelines for Reimbursements to Individuals For University Business (AP-01)

January 28, 2019

Purpose:

The purpose of this guide is to assist claimants and approvers to determine reasonableness and appropriateness of expenses being reimbursed to individuals for University business. The guide acts as a companion to the [Policy on Reimbursements to Individuals for University Business \(AP-01\)](#)

Scope:

This guide applies to expenditures being reimbursed to or on behalf of an individual irrespective of the request format (Travel and Expense Module or non PO Voucher) and payment method. These Guidelines apply to visitors, students and other authorized travellers (excluding consultants) in the same way as for Faculty members and staff.

Note to the Reader:

Internal Audit performs quarterly continuous audits on policy and procedure adherence of reimbursements to individuals irrespective of the payment method (Travel and Expense module or Non PO Voucher) and funding source.

Reimbursement:

A claimant shall not seek reimbursement on behalf of another individual with the exception of Group Travel.

Reimbursement of credit card purchases will be made using the exchange rate applied by the credit card provider to convert the cost to Canadian dollars.

Employees:

- Canadian funds by direct bank deposit to the same bank account selected for payroll deposits.

Students:

- Students who are employees through Grad Payroll will receive reimbursement by direct bank deposit.
- Students who are not on Payroll will be reimbursed by cheque.

Other authorized travellers (for example: visitors, guest lecturers, collaborators):**Canadian:**

- Will be reimbursed by cheque.

Non-Canadian recipients:

- US (United States): cheque at the exchange rate set by the University Treasurer and in effect at the time of payment.
- Other currencies: international wire at the exchange rate in effect at the time of payment.

Type of Expense	Method of Payment	Reimbursement Format
<i>Goods and services less than \$10,000</i>	<i>Invoice payable to supplier</i> <i>PCard (BMO MasterCard)-</i> <i>Preferred Method</i>	Non PO Voucher PCard Reconciliation Module to post transaction to account
Goods and services greater than \$10,000	Purchase Requisition	Refer to the Policy on Strategic Procurement (SP-01)
Goods, services and expense reimbursements less than \$100	Secured by purchaser	Petty Cash Voucher Contact the department administrator who handles Petty Cash for your department. Refer to the Petty Cash Policy .
Payment to Individuals for services	Secured by purchaser following ICQ (Independent Contractor Questionnaire) process	Less than \$10,000 use a non PO voucher. Greater than \$10,000 follow Policy on Strategic Procurement (SP-01) .
Employee Travel, Expenses, Business Meals and Department Events	<i>Preferred method</i> – Diners Club MasterCard Other options include: <ul style="list-style-type: none"> • Personal Credit Card • Preferred Travel Agency (direct billing using Mosaic chartfield string) • Cash advance using Diners card (\$530/day; \$1,060/mo.) 	Travel and Expense Module in Mosaic via direct bank deposit.
Reimbursements to other Authorized Travellers, Visitors and Students not on Payroll	Secured by individual	Non PO Voucher as Single Payment Supplier

Research Study Subjects	If paying subject by cash refer to Petty Cash Policy . Cheque per individual	Petty Cash Non PO Voucher as Single Payment Supplier
--------------------------------	---	---

Travel Expense Pre Payments:

Expenses relating to travel that has not yet taken place may be reimbursed as they are incurred. These may include conference registration, airfare, and hotel deposit.

Cash Advances:

This is a payment to the traveller to cover anticipated cash expenses while travelling. Cash advances may be obtained prior to departure by using the Corporate Travel Card at any Automatic Teller Machine (ATM). When travelling outside Canada it is recommended that an ATM is used in the country of destination.

In exceptional circumstances (for example: travel to a remote location where access to an ATM is not possible) a Cash Advance may be issued to the traveller. Contact aphelp@mcmaster.ca for details.

Signing Authority:

The Purpose Approver is defined as an individual one, or, more position levels above the reimbursement requestor. The Purpose Approver reviews the purpose, reasonable cost and ensures the claim is in the best interest of the University and/or research project given the circumstances.

In cases where a research project is being charged, the Principal Investigator (PI) or PI Delegate have the additional responsibility to provide evidence that the claimant(s) being reimbursed is affiliated with the PI's research project. For example; "My student, B. Smith, attended ABC Conference in Any City from X Date to X Date which discussed XYZ that is related to my research on X."

Temporary Delegation:

Delegation of authority is permitted during temporary absences (for example: vacation, illness) of a person having permanent authority. The delegate may be one of the following:

- A superior to the normal signing authority,
- An individual in an 'acting' capacity,
- A lower level position.

The individual temporarily delegating the responsibility remains fully accountable for all transactions approved during the temporary delegation period.

Permanent Delegation:

In all cases below, a formal written notification should be on file in the department (or as applicable in Mosaic or respective Research Finance office) for future audit purposes:

- Where the chartfield being charged is an Operating (non research) Account, the Dean may delegate their signing authority to the Director of Faculty Administration or equivalent.
- Where the chartfield being charged is a Faculty of Health Sciences (e.g. Fund 80) the formally documented delegate of the Chair may be the Director of Administration or Department Manager.
- The Principal Investigator (PI) may delegate their authority to a member of the Project Team (for example: Lab Manager). The delegate however must have a strong understanding of the project.

Supporting Documentation:

Expense (business) purpose must be described in sufficient detail to allow the approver, Research Finance Offices, Accounts Payable and auditors to assess the University business or research purpose. The ideal business purpose answers Who? What? Why? Where? When? How?

Where it is not clear that the expense relates to the research project, additional information or explanation should be documented which demonstrates that the expenditure is a direct cost of the funded research. For example, claiming additional expenses beyond the conference days; "I (claimant) arrived 2 days early at ABC Conference because I had to meet with my co-presenter Dr. Smith from the University of XYZ to finalize our presentation on ABC."

Missing or No Receipts:

- Where an original receipt is missing and a duplicate cannot be obtained, the claimant or delegate preparer may add a comment to the expense report and provide proof of payment such as a credit card statement or copy of official invoice on company letterhead;
- Where the receipt is lost and there is no proof of payment, the claimant shall complete the Line Description or Notes section of the expense report detailing the particulars of the missing receipt (i.e. payee, date, amount, description of purchase). Employees who frequently fail to submit receipts should be advised that they may not be reimbursed the expense.
- Minor expenses where it is impossible or difficult to obtain a receipt may be approved at the discretion of the applicable signing authority. An itemized list of these items shall accompany the reimbursement claim. Such items include: public transit tokens/tickets, meter parking, bridge tolls, coin laundry and miscellaneous, reasonable gratuities.

Electronic Receipts and Purchases:

Many purchases are made via websites and the transaction receipt varies widely depending on the supplier. Electronic receipts should contain the following information:

- Supplier identification;
- Tax/business number, where applicable (e.g. HST, GST, QST);
- Identification of purchaser;
- Description of what was purchased;

- Amount paid along with proof of payment (e.g. last 4 digits of credit card number).

Receipts in Foreign Currency should be in the denomination of the original currency at the time of purchase. If you choose to use your personal credit card to make foreign currency purchases and want to be reimbursed at the exchange rate charged by the credit card company, you must provide the receipt/invoice along with the excerpt from your credit card statement showing the expense with the exchange rate charged.

Receipts in Foreign Language should be accompanied by an explanation of the expense.

Electronic Imaging of Original Receipts:

The University uses electronic images of original paper and electronic invoices and receipts as part of its usual course of business. The preparer of the payment/reimbursement request is responsible for ensuring the quality, accuracy, reliability and authenticity of the scanned images in Mosaic. The University considers the payment/reimbursement records in Mosaic to be the originals for business retention and audit purposes. The electronic images shall be stored for a minimum of seven (7) years beginning December 2013.

Corporate Travel Credit Card:

University travel related expenses shall be placed on the University's corporate travel card, BMO Diners Club card, issued for University business use only. Timely submission of your expense report will ensure payment to Diners Club can be made by the statement due date and minimize turnaround times. Expenses charged to the Diners Club MasterCard, including those incurred prior to the travel, shall be claimed on an Expense Report form.

Arrangements have been made to allow cardholders **30 days plus 30 days grace** from the statement date to settle their account with Diners Club before interest charges are levied. Should interest be incurred on the Diners Club card, the interest is calculated from the 31st day from the statement date.

The Diners Club Card is issued for University business expenses only. If non-business expenses are unavoidable the cardholder must personally settle non-business purchases within 60 days otherwise the activity will be reported to Internal Audit under the Fraud Policy.

Summary by Expense Type:

Accommodation

Reasonable Cost:	Single room rate per traveller.
Required Support:	Official hotel invoice with zero balance, marked paid.
Allowance:	Where accommodation is provided privately with family or friends, the University will reimburse a gratuitous amount per night of \$20 CDN payable to the traveller only, not to the lodging host.

Note: Where reservations must be cancelled, it is the responsibility of the traveller to ensure that cancellation is made in advance so that 'no show' charges will not be incurred.
It is the responsibility of the claimant to ensure damage and refundable deposits have been applied to the final hotel bill.
Where accommodation is being charged to a Tri-Agency fund and exceeds six (6) consecutive months, subsistence costs (meals and accommodation) incurred beyond six (6) months cannot be reimbursed from agency grant funds.

Airfare

Reasonable Cost: Lowest economy class after considering risk of cancellation or need to make itinerary changes.
Claims for First Class and Business Class travel may be permitted if the flight exceeds six (6) continuous hours, or the claim is accompanied by a medical certificate or pre-approval by the traveller's Purpose Approver.

Required Support: Airline ticket/itinerary/receipt or e-ticket confirmation.
In addition, while a boarding pass is not required other acceptable documentation that identifies the city and dates traveled (for example, hotel bill, restaurant receipts, taxi chits) must be provided.
In cases where the only expense being claimed is the airfare, a paper boarding pass or printed image of the electronic boarding pass that clearly indicates the flight information is required.

Note: Financial penalties related to flight changes and cancellations of non-refundable tickets are reimbursable if the change is made for University business reasons, not personal reasons and approved by signing authority.
Cancellation insurance is recommended when purchasing non-refundable tickets.
Administrative fee charged by travel service provider, departure and security taxes and baggage fees must be supported by receipt/invoice.
Frequent Flyer or Reward Points: A traveller may choose to enrol in a frequent flyer or rewards program provided there is no cost to the University. Frequent flyer status or personal credit card reward program is not to be a determining factor in the selection of the carrier. No reimbursement may be claimed for the value of travel reward points.

Child Care Expenses

~~Some Federal Granting Councils allow child~~ Child care expenses for nursing mothers and overnight babysitting for single parents while travelling for University business.

Reasonable Cost: Actual cost.
Required Support: Proof of Payment. ~~Documentation from granting agency guidelines.~~

Delinquency/Interest Charges

- Reasonable Cost: The credit card holder is responsible for timely reimbursement processing of University business. The card holder is responsible for any unavoidable personal costs on the University card and must settle non-business items within 60 days.
- Required Support: Copy of credit card statement accompanied by explanation in writing approved by the individual's purpose approver. Delinquency and interest charges will be reviewed on an individual and exceptional basis.

Gifts/Gift Cards/Gift Certificates

- Reasonable Cost: Actual cost.
- Required Support: Official receipt with proof of payment plus a record containing recipient name, business purpose and amount issued to each recipient.
- Note: Non-employee: In certain circumstances a department may choose to give a gift, gift card or certificate to a non-employee (e.g. volunteer, donor, research study subject) in recognition of their contribution in support of a University activity. For example, gifts, gift cards and gift certificates of moderate expense may be presented to volunteers and research study subjects.
- Employee: Gifts/gift cards/gift certificates for employees for recognition of business services otherwise not paid are a taxable benefit where the gift exceeds a value of \$500 and where the gift card or certificate of any amount is issued to an employee.
- Issuance of a gift card/certificate to an employee, including gift cards from Hospitality Services and the Campus Store, must involve notification to Human Resources identifying employee name, item, and value for T4 (Statement of Remuneration) purposes.
- Tri-Agency: Gifts, honoraria and incentives can be offered to an individual or group whose involvement with the funded research/activities is voluntary, i.e. not part of a contractual obligation, professional service or a member of the grant team.

Ground Transportation**GO Bus/GO Train**

- Reasonable Cost: Actual cost.
- Required Support: Official receipt with proof of payment.
- Note: HST does NOT apply therefore rebate cannot be claimed.

Airport Limousine/Taxi

- Reasonable Cost: Travel to and from airports shall consider the most reasonable cost to the University.
- Required Support: Official receipt with proof of payment.

Parking

Reasonable Cost: Actual cost with proof of payment.
 Required Support: Official receipt.

Personally Owned Vehicle

Reasonable Cost: [Kilometre allowance](#).
~~55~~ 53¢ per kilometre for the first 5,000 kilometres driven.
~~49~~ 52¢ per kilometre driven after that.

Required Support: When completing the expense report include dates, kilometres traveled and destination. It is recommended that the [mileage log](#) be used when claiming reimbursement for multiple trips or multi-stop trips. A Google map is not required as support.

Note: Where a personally owned vehicle is used for University business a kilometre allowance shall be provided to defray vehicle operating costs, including gasoline, insurance, repairs and maintenance.
 Where a personally owned vehicle is used for University Business, the owner shall carry adequate personal car insurance on the vehicle. This cost is not reimbursable.
 Travellers who choose to drive rather than fly may be reimbursed a maximum of two travel days beyond the dates of official business.
 The reimbursement for kilometrage may not exceed the cost of comparable 30-day advance purchase airfare rates.
 Where granting agency automobile allowance differs from the University approved allowance, supporting documentation is required.

Kms to and from McMaster campus (i.e. 1280 Main St. W.):
Downtown Campuses:

- 5 kilometres, one way; or,
- 10 kilometres, round trip.

Ron Joyce Centre (Burlington):

- 22 kilometres, one way; or,
- 44 kilometres, round trip.

Niagara Regional Campus:

- 70 kilometres, one way; or,
- 140 kilometres, round trip.

Presto Card

Reasonable Cost: Actual cost. In order to seek reimbursement, travellers using the Presto card to pay transit fares must register the card.
 Required Support: Statements detailing card use must be maintained for seven (7) years by the claimant and made available upon request for audit purposes.

Taxi

Reasonable Cost: Travel between locations shall represent reasonable cost based on submission of official receipts.
 Required Support: Taxi chit.

Tolls (including 407 Toll)

Reasonable Cost: Toll transportation costs based on proof of toll charges.
 Required Support: Official itemized invoice with proof of payment.

Vehicle Rental and Rental Vehicle Gasoline

Reasonable Cost: Actual cost. Cost of standard insurance against liability and personal injury is reimbursable.
 Required Support: Original rental agreement with proof of payment
 Note: Travellers are encouraged to obtain the most cost-effective, practical vehicle and take advantage of [corporate and other discounts](#).
 Diners Club MasterCard holders are automatically covered for collision damage insurance when using the Diners card and should refuse coverage offered by the rental agency. If the Diners Club MasterCard is not used, reasonable collision insurance may be reimbursed.
 Rental vehicle gasoline is reimbursable.
 Typically the kilometre allowance does not apply to vehicle rentals.
 Ensure rental agreement stipulates unlimited mileage.
 Refer to Guidelines on Renting Vehicles.

Group Travel

Reasonable Cost: Actual costs.
 Required Support: Official itemized receipts. A list of individuals comprising the group must accompany expense report.
 Note: The individual overseeing the trip is responsible for obtaining and submitting original receipts.

Incidental Expenses (Non Province of Ontario funded accounts)

Reasonable Cost: A per diem allowance for incidental expenses (i.e. small expenditures where it is either impractical or impossible to acquire receipts) may be claimed in lieu of actual costs where expenses are funded by external agencies or sponsors (except agencies or ministries of the Government of Ontario).
 o \$10/day to a maximum of \$100/trip.
 Required Support: Not required to support the incidental expense allowance.
 Note: Only incidental expenses incurred while travelling on University business may be claimed.

Laundry/Dry Cleaning

Reasonable Cost: Actual cost reimbursable after seven (7) consecutive days of travel.
 Required Support: Official itemized receipt.

Meals with Receipts**Individual Meal**

Reasonable Cost: Reasonable costs while travelling, including gratuities.
 Required Support: Official itemized restaurant bill including date, items consumed, amount and credit card chit indicating gratuities as applicable.
 Note: A daily meal allowance may be used in lieu of meals with receipts. Refer to Per Diem Allowances below.

Meal with Attendee(s)

Reasonable Cost: Actual cost accompanied by a detailed business purpose.
 Required Support: Official itemized restaurant bill including date, items consumed, amount, credit card chit indicating gratuities and list of attendee(s).
 Note: When the meal is between University employees, the most senior University employee in attendance must pay and submit the reimbursement claim.

Alcohol (unless specifically prohibited by funding source (e.g. Tri-Agency))

Reasonable Cost: Reasonable costs for alcoholic beverages with a meal or during a reception where the consumption is nominal or moderate, does not exceed the cost of food, and is not specifically restricted by funding source.
 Required Support: Itemized receipt detailing date, items consumed, amount and gratuities with proof of payment.
 Note: Faculty and staff are required to exercise sound judgement in this regard.

Per Diem Allowance for Meals

Reasonable Cost: A per diem meal allowance may be claimed in lieu of actual costs \$85.35/day (\$19.10/breakfast, \$18.90/lunch, \$47.35/dinner) in Canadian dollars for travel in Canada, or, U.S. dollars for travel outside Canada.
 Required Support: Not required to support the per diem meal allowance.
 Note: Only meal costs incurred while on University business or during travel for University business may be claimed.
 The per diem allowance will not apply where meals are included as part of another reimbursable item (for example: conference, transportation).
 The per diem claim should be reduced accordingly.
 The meal allowance includes gratuities and taxes.

Memberships**Professional Memberships**

Reasonable Cost: Actual cost. Professional memberships for eligible full-time employees where necessary for their employment role will be reimbursed provided the fees qualify as a non-taxable benefit and are of the type defined in the Income Tax Act section 8(1)(i)(i) as annual professional membership

dues, the payment of which is necessary to maintain a professional status.

Required Support: Official invoice/receipt from organization and/or copy of application form or renewal plus proof of payment.

Note: Reimbursement of professional fees is not an automatic entitlement and occurs only where allowed for, as necessary, within the employment role or employment contract.

Club Memberships

Reasonable Cost: Individual University Club membership is not a reimbursable expense. In limited and exceptional circumstances membership may be reimbursed where the membership provides a business-related benefit to the University and is required for the effective performance of the individual's position. In these cases, the department may be charged and approval shall be accompanied by a letter from the appropriate Dean or Vice-President explaining the specific situation for audit records.

Required Support: Official invoice or charge to department chartfield and accompanied by a letter from the appropriate Dean or Vice-President.

Note: Club memberships for personal recreation or socializing purposes, such as fitness clubs, golf clubs or social clubs, are not a reimbursable expense.

Other (not listed above)

Note: Reimbursement of other memberships will only be made if pursuant to the individual's employment contract, role or otherwise deemed necessary for the execution of their business activities.

Out-of-Country Travel

Reasonable Cost: Costs incurred solely for University business are reimbursable, such as visas, travel documents and immunization shots.

Required Support: Official invoices/receipts.

Rail

Reasonable Cost: Travel by rail shall use economy fare for day travel, or standard lower berth or roomette accommodation for overnight travel. However, to destinations where the travel time exceeds four (4) hours (e.g. Ottawa, Montreal) a business class fare may be permitted.

Required Support: Official receipt with proof of payment.

Note: Passage on [VIA Rail](#) may receive discounted fares when booked through the CAUBO (Canadian Association of University Business Officers) web page.

Receptions and University Events

- Reasonable Cost: Expenses relating to business receptions, meetings, and University events, including hospitality, catering, and other incidentals incurred in the course of carrying out University business, may be reimbursed based upon reasonable costs.
- Required Support: Official itemized invoice marked paid or official itemized receipt, and list of attendees (where applicable). Indicate the nature of the event and description of how the business reception, meeting or University event facilitates University business.
- Note: Expenses relating to social functions involving only individuals who work for, or are engaged by, the University cannot be reimbursed, e.g. holiday parties.

Registration (Conference and Seminar)

- Reasonable Cost: Registration costs related to University business is reimbursable based on proof of cost supporting documentation.
- Required Support: Official receipt from organizers including conference itinerary/prospectus.
- Note: Indicate full name of conference elaborating on acronyms.

Research Study Subjects (being paid by cheque)

- Reasonable Cost: Research study participants shall be reimbursed for reasonable participation costs, where allowed by the funding source and prevailing policy.
- Required Support: Name of study and log detailing recipient name, amount paid and recipient signature.
- Note: Reimbursement to study participant by cheque shall include: payee name and address, name of the study and date of study visit.

Tips/Gratuities

- Reasonable Cost: Reasonable incidental tip or gratuity charges are permissible without receipt. This does not apply to tips and gratuities included in other expenses (for example, meals).
- Required Support: Itemized list supported by a description.

Utility/Service Bills (e.g. Bell, Rogers, internet, equipment repair)

- Reasonable Cost: Portion of actual cost related to University business.
- Required Support: Original invoice. Only current charges will be reimbursed unless previous invoice attached.

Corporate Credit Cards

- [BMO MasterCard \(PCard\)](#) – to be used for the purchase of goods and services valued less than \$10,000 per invoice.
- Diners Club MasterCard – to be used for the purchase of University business travel expenses, meals and hospitality. The application form can be found at: <http://www.mcmaster.ca/bms/pdf/dinersclub.pdf>

Questions?

Contact aphelp@mcmaster.ca

Related Links:

[Policy on Reimbursements to Individuals for University Business](#)

[Strategic Procurement Policy](#)

[Policy on Perquisites](#)

[Procedures for the Administration of Gift Cards/Certificates](#)

[Policy on the Administration of Petty Cash](#)

[Guidelines on Renting Vehicles](#)

[Policy on Gifts and Awards](#)