**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 Procedures apply to visitors, students and other authorized travellers (excluding consultants) in the same way as for Faculty members and staff.

**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:**

- 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.

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<th>Type of Expense</th>
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<tr>
<td>Goods and services less than $10,000</td>
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<td>PCard (BMO MasterCard)</td>
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<td>Goods and services greater than $10,000</td>
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<tr>
<td>Goods, services and expense reimbursements less than $100</td>
<td>Secured by purchaser</td>
<td>Petty Cash Voucher</td>
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<tr>
<td></td>
<td></td>
<td>Contact the department administrator who handles Petty Cash for your department. Refer to the [Petty Cash Policy].</td>
</tr>
<tr>
<td>Payment to Individuals for services</td>
<td>Secured by purchaser following ICQ (Independent Contractor Questionnaire) process</td>
<td>Less than $10,000 use a non PO voucher. Greater than $10,000 follow [Policy on Strategic Procurement (SP-01)].</td>
</tr>
<tr>
<td>Employee Travel, Expenses, Business Meals and Department Events</td>
<td><strong>Preferred method</strong> – Diners Club MasterCard Other options include: • Personal Credit Card • Preferred Travel Agency (direct billing using Mosaic chartfield string) • Cash advance using Diners card ($530/day; $1,060/mo.)</td>
<td>Travel and Expense Module in Mosaic via direct bank deposit.</td>
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<td>Reimbursements to other Authorized Travellers, Visitors and Students not on Payroll</td>
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<td></td>
<td>Cheque per individual</td>
<td>Non PO Voucher as Single Payment Supplier</td>
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**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, hotel deposit. A Trip Identifier must be used for each pre-payment and the final reimbursement to link all expenses relating to a particular trip. Please refer to guidelines in Appendix A of this document.
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 be 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:

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

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 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. Include:
- Dates and destinations;
- List of attendees for business meals and University events;
- Original itemized receipt or invoice (or e-invoice) indicating proof of payment;
- Boarding passes if available.
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 a Missing Receipt Authorization Form. Employees who frequently fail to submit receipts should be advised that they may not be reimbursed the expense.

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.

Receipts in Foreign Language should be accompanied by an explanation of 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, miscellaneous gratuities, meter parking, bridge tolls.

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.

If required externally or for department use, the paper copies must be defaced and retained as specified for their purpose.

Corporate Travel Credit Card:

University travel related expenses shall be placed on the University’s corporate travel card, BMO Diners Club card. 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 Masatercard, 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. The University will not reimburse interest or late payment charges on the corporate travel card or personal credit cards used to pay University business expenses. 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 expenses within 60 days otherwise the activity will be reported to Internal Audit under the Fraud Policy.

**Summary by Expense Type:**

**Accommodation**

Reasonable Cost: Single occupancy room rate.

Required Receipt: Hotel bill with zero balance and proof of payment.

Allowance: Maximum $20 CDN per night when lodging with friends or family. Payable to the traveller.

Note: It is the responsibility of the claimant to ensure damage and refundable deposits have been applied to the final hotel bill.

**Airfare**

Reasonable Cost: Lowest available airfare, e.g. full economy fare.

Required Receipt: 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: Claims for First Class and Business Class travel will be reimbursed at the Economy rate unless the claim is accompanied by a medical certificate or a pre-approved exception to the Policy.

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.

**Airport Limousine/Bus/Taxi**

Reasonable Cost: Actual cost.
Required Receipt: Original receipt with proof of payment.
Note: Travel to and from the airport shall consider the most reasonable mode of transportation.

Child Care Expenses

Some Federal Granting Councils allow child care expenses for nursing mothers and overnight babysitting for single parents.

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

Gifts/Gift Cards/Gift Certificates

Reasonable Cost: Actual cost.
Required Receipt: Original receipt with proof of payment plus a record containing recipient name, business purpose and amount issued to each recipient.
Note: May be issued to a non-employee (e.g. volunteer, donor, research study subject) in recognition of their contribution in support of a University activity. 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.

GO Bus/GO Train

Reasonable Cost: Actual cost.
Required Receipt: Original receipt with proof of payment.
Note: HST does NOT apply therefore rebate cannot be claimed.
PRESTO Card: include a copy of the on-line transaction history once available balance completed.

Group Travel

Reasonable Cost: Actual costs.
Required Receipt: Original 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.

Laundry/Dry Cleaning

Reasonable Cost: Actual cost reimbursable after seven (7) consecutive days of travel.
Required Receipt: Original itemized receipt.
Meals with Receipts (Individual)

Reasonable Cost: Actual cost (including gratuities).
Required Receipt: Original detailed restaurant bill including date, items consumed, amount and gratuities with proof of payment.
Note: A daily meal allowance may be used in lieu of meals with receipts. Refer to Per Diem Allowances below.

Meals with Receipts (Business Related/Hospitality with Attendees)

Reasonable Cost: Actual cost accompanied by a detailed business purpose and list of attendees.
Required Receipt: Itemized receipt detailing date, items consumed, amount and gratuities with proof of payment.
Note: When the meal is between University employees, the most senior University employee in attendance must pay and submit the reimbursement claim.

Alcohol

Reasonable Cost: Actual cost. Consumption is nominal or moderate and does not exceed the cost of food.
Required Receipt: 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. Most research funding sources do not allow reimbursement of alcoholic beverages. If unsure of funding source guidelines please contact your Sr. Accountant in Research Finance or HSC Finance.

Per Diem Allowance for Meals and Incidental Expenses:

Meals:
Reasonable Cost: A per diem meal allowance may be claimed in lieu of actual costs $51/day ($17/meal) in Canadian dollars for travel in Canada, or, U.S. dollars for travel outside Canada.
Required Receipt: 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.

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 Receipt: Not required to support the incidental expense allowance.
Note: Only incidental expenses incurred while travelling on University business may be claimed.

Parking/Tolls/Ferries/Local Bus

Reasonable Cost: Actual costs.
Required Receipt: Original receipt wherever possible.
Note: If a receipt is not available (for example: metered parking) provide an itemized list of expenses supported by the business purpose.

407 Toll

Reasonable Cost: Actual cost of toll and administration (camera) charges.
Required Receipt: Original itemized bill with proof of payment.
Note: Transponder lease is not eligible for reimbursement.

Personally Owned Vehicle

Reasonable Cost: Kilometer allowance.
Required Receipt: Not required. However, attach a mileage log when claiming reimbursement for multiple trips.
Note: Travellers who choose to drive rather than fly may be reimbursed travel status for a maximum of two days beyond the dates of official business. The reimbursement for kilometrage may not exceed the cost of comparable 30-day advance purchase airfare rates. When completing the expense report include dates, kilometers travelled and destination. 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 kilometers, one way; or,
- 10 kilometers, round trip.

Ron Joyce Centre (Burlington):
- 22 kilometers, one way; or,
- 44 kilometers, round trip.

Niagara Regional Campus:
- 70 kilometers, one way; or,
- 140 kilometers, round trip.

Professional Memberships

Reasonable Cost: Actual cost.
Required Receipt: Original receipt from organization and/or copy of application form or renewal plus proof of payment.
Rail

Reasonable Cost: Lowest available fare, e.g. economy.
Required Receipt: Original receipt with proof of payment.
Note: Passage on VIA Rail may receive discounted fares when booked through the McMaster Corporate web page.

Receptions and University Events

Reasonable Cost: Actual cost.
Required Receipt: Original detailed receipt with proof of payment and list of attendees.
Note: Indicate the nature of the event and description of how the business reception, meeting or University event facilitates University business.
Expenses relating to social functions involving only individuals who work for, or are engaged by, the University cannot be reimbursed.

Registration (Conference and Seminar)

Reasonable Cost: Actual cost.
Required Receipt: Original 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: Actual cost to be determined by PI (Principal Investigator).
Required Receipt: Name of study and log detailing recipient name, amount paid and recipient signature.
If the nature of the study is confidential the recipient’s name may be substituted by a number. In this case the log may be maintained in the department’s files.

Tips/Gratuities

Reasonable Cost: Actual cost.
Required Receipt: Where the tip or gratuity is not included in another expense (e.g. meal) provide an itemized list supported by business purpose.

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

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

Vehicle Rental and Rental Vehicle Gasoline

Reasonable Cost: Actual cost. Cost of standard insurance against liability and personal injury is reimbursable.
Required Receipt: Original itemized receipt 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. Refer to Guidelines on Renting Vehicles.

**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](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
Appendix A

How to Create an Expense Report with a Trip ID

This two-step process is to be used to maintain and summarize a trip that has expenses reimbursed prior to the travel.

Step 1: Create an expense report.

Main Menu > Employee Self Service > Travel and Expenses > Expense Reports > Create/Modify

- Business purpose = Conference/Seminar/Workshop
- Report Description = ABC Conference
- Reference = 1405POttawa

(A Trip Identification number is required when the reimbursement is for an expense that is taking place in the future. The naming convention is YYMMPCITY (Prepaid expense) or YYMMFCITY (Final payment). In the case of multiple prepaid expenses the following is applicable YYMMP2CITY, YYMMP3CITY, and so on. The first four digits represent the year and month the travel is taking place.)

At this point, Save for Later, and write Expense Report ID# on receipts – regularly use the “Save for Later” button as you enter information on the report.

- Select the date
- Choose Airfare Domestic
- Description: Airfare to Ottawa to attend ABC Conference
- Merchant = Air Canada
- Payment Type = Personal (Cash, Credit, Cheque)
- Amount = $1,130.00
- Click Calculate VAT
- Click Accounting details
- Complete Accounting Information (example below – use your own chartfield information)
  - Fund = 20
  - Account = 650007
  - Department = 10000
  - Program = 30000
- Click Summary and Submit
- In ‘Notes’ ensure that you have provided the following details:
  - Claim is for a single trip
  - Original supporting documentation attached
    - Original air travel receipt, boarding passes if available
- Prospectus, Conference name badge
- Lowest rate available was used, not exceeding full economy fare
- Affiliation with the grantee’s research group, if applicable
- Detailed purpose of trip (at minimum the Title of the Research Project)
- Dates (From and To)
- Destinations (if different from “Location” field)
- Person visited
- Details of vehicle use (e.g. field work)

- Check “I am authorized to submit these expenses; they are accurate to the best of my information and belief.”
- Click Submit Expense Report

Take note the Expense Report # for future use if you have not already done so.

**Step 2:** Create/Modify the Trip ID

Main Menu > Employee Self Service > Travel and Expenses > Expense Reports > Create/Modify Trip ID

- Click Add New Value
- Trip Identification Type: 1405POttawa
  - (Note: Ensure the Trip ID is the same as the one you used in the Expense Report.)
- Using the magnifying glass choose the Report the corresponds with the Trip ID entered
- Click Add
- Complete Description: “Prepaid expense. Airfare to attend ABC Conference in Ottawa from May 6 – 9, 2014.”
- Click Report ID; choose the employee ID using the magnifying glass look up
- Click Save to finish.

Enter each subsequent prepaid expense and the final expense report in the Trip ID page. This information will be used to track and summarize expense reports that make up a single trip.