

Complete Policy Title: Reimbursements to Individuals for University Business	Policy Number: AP-01
Approved by: President and Vice-Presidents	Date of Most Recent Approval: Effective Date: March 1, 2017
Date of Original Approval: March 20, 2012	Supersedes/Amends Policy dated: AP-010 (February 14, 2002); AP-030 (February 9, 2000); AP-070 (June 30, 2009); AP-080 (July 17, 2008); Social Memberships (October 26, 1998). Previous revisions AP-01: Aug 31 2012, Oct 1 2012, Mar 6 2013, Apr 1 2013, Dec 2 2013, May 1, 2015, April 1, 2016
Responsible Executive: AVP Administration and Chief Financial Officer	Enquiries: Accounts Payable
DISCLAIMER: <i>If there is a discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails.</i>	

Introduction

- McMaster University shall provide reimbursement to individuals for reasonable expenses incurred by individuals while carrying out University business.

Purpose

- To identify the policy for reimbursement to individuals and to provide additional expense specific policy information.

Scope

- This policy applies to any individual seeking reimbursement from the University for costs incurred by an individual in carrying out University business.
- In all cases, it is the individual requesting the reimbursement who is responsible to ensure expenses conform to this policy or external restrictions before the cost is incurred.

Definitions

- Individual: Any person or corporation including but not limited to: a member of the Board of Governors and/or its sub-committees, a Faculty member, an employee, an independent contractor, a volunteer, and/or a student.

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- Reasonable cost: deemed to be based on sound judgment and moderation, reflecting consideration of accountability, business purpose, efficiency, and value for money, and does not attract a taxable benefit as defined by the Canada Revenue Agency.
 - Signing authority: an individual one, or more, position level above the reimbursement requestor authorized to review purpose, reasonable cost, and approve University business reimbursements to individuals.

Policy

- The individual recipient requesting the reimbursement is responsible to ensure business expenses conform to this policy and external guidelines where applicable.
- Reimbursements shall be based on the submission of original receipt or invoice marked paid.
 - The University authorizes the use of electronic images of original paper or electronic invoices and receipts as part of the University's usual and ordinary course of business.
 - The Individual (or delegated submitter) requesting reimbursement is responsible for the quality, accuracy, reliability and authenticity of scanned images in the reimbursement system and maintaining paper copies, if externally required, for the retention period required for their specific purposes.
 - The University shall store scanned or saved electronic reimbursement related images that can be audited as required for a minimum period of 7 years (beginning in December 2013).
 - The University shall continue to store paper reimbursement requests received up to June 2015 for 7 years. After June 2015, the University shall consider the system reimbursement records its originals for business retention and audit purposes.
- Reimbursements for costs in a foreign currency will be converted at the exchange rate in effect at the date of purchase.
- Reimbursement requests shall provide an explanation of business purpose and where applicable must include a list of attendees.
- Reimbursements where the source of funding is external and additional restrictions apply guiding reimbursements the external restrictions prevail.
- University travel related expenses shall be placed on the University's corporate travel card, BMO Diners Card, issued for University business use only. If non-business expenses are unavoidable on the University card the employee must personally settle non-business expenses within 60 days otherwise the activity will be reported to Internal Audit under the Fraud Policy.
- Where individuals receive reimbursement from third parties subsequent to a reimbursement from McMaster for the same cost it is the responsibility of the individual to submit the subsequent third party reimbursement for deposit to McMaster.

- Reimbursement requests where an expense is incurred that is not specifically covered in this policy, the individual and the signing authority shall adopt the most conservative course within the spirit of this policy.
- Reimbursement requests shall be submitted on a timely basis, ideally within fifteen (15) days of return from travel or from the date the expense was incurred and not exceeding twelve (12) months after the expense is incurred.
- Reimbursement submissions will be approved by an appropriate signing authority according to the chart below. Additional compliance testing will be performed by Accounts Payable. Internal Audit may also review reimbursement requests for policy compliance.

Individual Requestor	Signing Authority
Board of Governors and sub-committee members	Board Secretariat
President	Chair or Vice-Chair, Board of Governors, or Chair, Finance Committee
Vice-President	President, or in his/her absence, Provost and Vice-President, Academic
Dean, Associate Vice-President,	Provost and Vice-President, Academic, or in his/her absence, President
Assistant Vice-President	Vice-President
Department Chair, Associate Dean	Faculty Dean Where the account being charged is an Operating (non-research) Account the formally documented delegate of the Dean may be the Director of Faculty Administration or equivalent.
Department Chair (Health Sciences), Associate Dean (Health Sciences)	Dean and Vice-President, Health Sciences or, in his/her absence, Associate Dean (Academic) or Associate Dean (Research)
Any individual charging a research project	Principal Investigator (PI) or formally documented delegate. The delegate must have a strong understanding of the project. When the PI is the claimant, approval must be provided by an individual one, or more, position level above the claimant (e.g. for faculty members, this would be the Department Chair). Where the account being charged is a Faculty of Health Sciences research project (e.g. fund 80) the formally documented delegate of the Chair may be the Director of Administration or Department Manager.
All other roles not listed above	In accordance with Signing Authority definition.

Temporary Delegation:

- Delegation of authority is permitted during the temporary absence (for example: vacation, illness) of a person having permanent authority.
- The temporary delegation signing authority may be to a lower level position. The individual temporarily delegating the responsibility remains fully accountable for all transactions approved during the temporary delegation period.

Professional Memberships:

- 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.
- 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:

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

Other Memberships:

- Reimbursement for 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.

Registration:

- Registration costs related to University business is reimbursable based on proof of cost and conference itinerary.

Business Receptions and University Events:

- 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 supported by itemized invoice(s) marked paid or official itemized receipt(s), list of attendees, 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.

Research Study Participants (Subjects):

- Research study participants shall be reimbursed for reasonable participation costs, where allowed by the funding source and prevailing policy.
- Reimbursement to the study participant by cheque shall include: payee name and address, a self-addressed envelope, name of the study, date of the study visit.

Hotel or Lodging:

- Reimbursement is limited to a single room rate per traveler, supported by an original hotel invoice marked paid.
- Where reservations must be cancelled, it is the responsibility of the traveler to ensure that cancellation is made in advance so that “no show” charges will not be incurred.
- Where accommodation is provided privately with family or friends, the University will reimburse a gratuitous amount per night of **\$20CDN** payable to the traveler only, not to the lodging host.

Airfare:

- Individuals shall use Economy airfare for University business. 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.
- Airfare and flight cancellation insurance shall be reimbursed where supported by air travel itinerary/receipt or 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, meal 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.
- 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.

Personally owned vehicle:

- Where a personally owned vehicle is used for University business a kilometer allowance shall be provided to defray vehicle operating costs, including gasoline, insurance, repairs and maintenance.

The kilometer allowance shall be equal to the Canada Revenue Agency’s automobile allowance set for each calendar year. The automobile allowance rates for [2016 and 2017](#) are:

- **54¢** per kilometre for the first 5,000 kilometres driven; and
- **48¢** per kilometre driven after that.

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- 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.

Vehicle Rental:

- The full cost for vehicle rental for less than 30 days for approved University business should be charged to a University corporate credit card and in these cases the renter shall decline rental agency collision damage insurance coverage because insurance fees are covered by the credit card issuer for the primary rental driver. Where the rental is not charged to a University corporate credit card, then the renter shall purchase insurance coverage, which is reimbursable.
- Vehicle rental for greater than 30 days or for rental of passenger vehicles holding eight (8) or more individuals shall be made after contacting Environmental and Occupational Health Support Services to arrange for appropriate insurance coverage.
- Rental vehicle gasoline is reimbursable based on submission of original receipts.
- The vehicle renter is responsible for meeting rental agency age requirements.
- The vehicle renter shall enter into the rental agreement as: McMaster University, "Faculty/Department/Name", to ensure personal liability is avoided. The vehicle rental shall also ensure any additional drivers are named on the rental agreement, where additional drivers are named the renter shall purchase rental agency insurance coverage.
- The vehicle renter is responsible for all property left in the vehicle.

Rail:

- Travel by rail shall use economy fare for day travel, or standard lower berth or roomette accommodation for overnight travel.

Airport Limousine/Taxi:

- Travel to and from airports shall consider the most reasonable cost to the University. An airport limousine or taxi is reimbursable based on submission of official receipts.

Bus/Taxi:

- Travel between locations shall represent reasonable cost. Bus or taxi is reimbursable based on submission of official receipts.

Parking:

- Parking costs while conducting University business are reimbursable based on official receipts.

Tolls:

- Travel for University business involving toll transportation costs are reimbursable based on proof of toll charge. Monthly transponder charges are not eligible for reimbursement.

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Out-of-country travel:

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

Meals:

- Reasonable costs for meals while traveling are reimbursable supported by original itemized receipts.
- A per diem meal allowance may be claimed in lieu of actual costs, up to \$51/day or \$17/meal in Canadian dollars for travel in Canada, or in U.S. dollars for all travel outside of Canada.
- Reasonable business-related meals are reimbursable based upon submission of itemized receipt and accompanied by a detailed business purpose and list of attendees. When the meal is between University employees, the most senior University employee in attendance must pay and submit the reimbursement claim.

Alcohol:

- Reasonable costs for alcoholic beverages with a meal or during a reception are reimbursable where the consumption is: nominal or moderate, does not exceed the cost of food, and is not specifically restricted by funding source.

Tips and Gratuities:

- 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).

Gifts/Gift Cards/Certificates:

- In certain circumstances a department may choose to give a gift, gift card or certificate to a non-employee in recognition of their contribution in support of a University activity. For example, gift, gift cards and gift certificates of moderate expense may be presented to volunteers and research study subjects.
- Gifts, gift cards, and 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 in any amount is issued to an employee. Issuance of these items to employees must involve notification to Human Resources identifying employee name, item, and value for T4 purposes.

Delinquency/Interest Charges:

- 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.

Exceptions:

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- Original invoices on company letterhead or official receipts are required for reimbursements. Where the original invoice or receipt is not issued or lost, then a copy of the official invoice or receipt or a credit card statement will be accepted as a substitute with a brief explanation and notation of “original lost” clearly indicated on the substituting support.
 - 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 as per diem expenses are prohibited by the Province of Ontario.
 - At times, special circumstances arise that may warrant exceptions to policy. In this case, approval in writing by the individual’s signing authority is required.

Related Procedures or Documents

- [Procedures for Reimbursements to Individuals](#), including reasonable cost guidance
- [Perquisite Policy](#)
- [Fraud Policy](#)