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 the 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.
Reasonable cost: deemed to be based on sound judgment and moderation, reflecting consideration of accountability, 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

- Reimbursement requests, for all cases, it is the individual recipient requesting the reimbursement who is responsible to ensure expenses conform to the policy and/or external guidelines if they prevail.
- Reimbursements shall be based on the submission of original receipt or invoice marked paid.
- 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 has additional restrictions guiding reimbursements the external restrictions prevail.
- 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.

<table>
<thead>
<tr>
<th>Individual Requestor</th>
<th>Signing Authority</th>
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<tbody>
<tr>
<td>Board of Governors and sub-committee members</td>
<td>Board Secretariat</td>
</tr>
<tr>
<td>President</td>
<td>Chair or Vice-Chair, Board of Governors, or Chair, Finance Committee</td>
</tr>
<tr>
<td>Vice-President</td>
<td>President, or in his/her absence, Provost and Vice-President, Academic</td>
</tr>
<tr>
<td>Dean, Associate Vice-President,</td>
<td>Provost and Vice-President, Academic, or in his/her absence, President</td>
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Reimbursements to Individuals for University Business
March 6, 2012

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.

University Club Membership:

- 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.

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:

- Business reception and university event expenses incurred in the course of carrying out University responsibilities shall be reimbursed based upon reasonable costs supported by invoice(s) marked paid or official receipt(s) and accompanied by a brief description of the reception/event purpose and attendees.

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 requisition 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 a printed itinerary indicating payment and by boarding passes for flights taken.

- 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 based on the rate established for travel greater than 5,000 kms. The current rate is 48 cents per kilometer driven.
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 rental 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 Club Car accommodation 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.

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.
- Reasonable business-related meals or hospitality 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).

Gift Cards/Certificates:
- In certain circumstances a department may chose to give a gift card or certificate to a non-employee in recognition of their contribution in support of a University activity. For example, gift cards and gift certificates of moderate expense may be presented to volunteers and research study subjects.
- Gift cards/certificates for employees are not eligible for reimbursement.

Exceptions:
- 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 meal allowance 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.
- 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
- Instructions on Completing the Department Acquisition Card Accounts Payment Summary Sheet
- Step-by-step Guide on Preparing an Electronic Cheque Requisition (ECR)
- Perquisite Policy