Procurement Manual

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University of Windsor
Procurement Manual

Purpose

The purpose of this Manual is to assist campus end users in the:

- Acquisition of all materials, goods, and services required by the University
- Understanding of all University and external requirements that departments must adhere to for these acquisitions
- Identification of 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

For the convenience of end users, this Manual has been divided into two main sections:

1) Purchasing
2) Accounts Payable

Under each section, relevant information and reference materials have been organized into sub sections containing more specific detail on that particular subject matter. Further, the Manual has been equipped with links to various websites that provide additional information and support for end users.

Contact

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Purchasing Manual

1) Purchasing Policy

The Board of Governors has approved a Policy Statement for Purchasing Goods and Services that specify procurement principles and guidelines. The purpose of this Purchasing Policy is to ensure compliance with government regulations for public institutions, and as such, use a competitive bidding approach to ensure best value for goods and services being purchased by allowing the University to be accessible to all vendors.

University policy concerning financial commitments provides that no staff member of the University has the authority to make any purchase commitment, enter into any contract for materials or supplies or otherwise to take any action with respect to third parties which may be construed as financially binding to the University except through the usual channels under the authority defined within the policy.

This policy further details how the procurement process must be executed for goods or services exceeding the University's defined limit of $2,500. All orders above this amount will require the issuance of a Purchase Order from Purchasing as this Purchase Order forms a legal contract and encumbers the funds in the University's accounting system.

Additional questions regarding the Purchasing Policy can be referred to the University Purchasing Department.

2) Procurement Code of Ethics

The University of Windsor Procurement Code of Ethics is based on requirements established by the Ontario Ministry of Finance BPS Supply Chain Guidelines and is supplementary to other University regulations, policies and guidelines relating directly or indirectly to the duty of transparency and ethic that is owed by all publicly funded institutions. The following Procurement Code of Ethics applies to all members of the University community, who, during the course of their duties, are involved in the process of acquiring goods and services.

Acceptance of gifts, gratuities, or favours in any form (except for gifts of purely nominal value and social entertainment considered in keeping with established professional ethics and which do not obligate the member of the University) is prohibited per the University Gift Policy.

End user requestors are responsible for ensuring that any potential conflict of interest in dealing with suppliers is declared. It is critical that the end user and Purchasing staff maintain a fair and impartial relationship with suppliers. Any non-arm's length transactions must be declared per the University Conflict of Interest Policy. This Policy further requires disclosure in circumstances where a contract for goods or services may be awarded to a person or firm in which a University employee has a material interest.

3) BPS Supply Chain Guidelines

In March 2008, Ontario's Treasury Board of Cabinet, directed that BPS Supply Chain Guidelines must be prepared and, as of April 1, 2009, 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, Colleges and Universities.

This Supply Chain Guideline was prepared, in consultation with BPS organizations and other stakeholders, to support and improve BPS supply chain activities beginning with two Principles, a Code of Ethics and a Procurement Policies and Procedures standard that must be incorporated into all University procurement practices. Going forward, the University will be responsible to further adhere to an additional set of other leading practices, standards and metrics.

As part of the initiatives identified under the Supply Chain Guideline, the University will be responsible to adhere to all noted requirements and corresponding reporting directives.

Further questions about the Supply Chain Guideline should be directed to the University Purchasing Department.

4) BPS Procurement Directive

The Broader Public Sector Accountability Act, 2011 became effective on April 1, 2011. The BPS Procurement Directive expands on the BPS Supply Chain Guideline (2009) which was developed in consultation with BPS organizations and was recognized by the Auditor General in a recent report.

As part of this Directive, there are some additional requirements and recommendations that have a significant impact on procurement at the University. Some highlights include:

- Competitive acquisition of consulting services regardless of dollar value
- An approval authority framework related specifically to consulting services
- Approval for non-competitive procurement of goods or services must come from one level higher in the approval authority framework than a competitive procurement of the same value
- Effective management of BPS contracts

More specific information regarding the BPS Procurement Directive and can be found at BPS Procurement Directive. Further information and questions regarding this Directive can be addressed by the University Purchasing Department.

5) Purchasing Procedures

All purchases made using funds paid through University accounts must be in compliance with University policies and procedures. A summary of key Purchasing procedures is contained within this manual.

a) Purchase Requisition

While the University Purchasing Department is available for assistance in the procurement of all goods and services, those valued at less than $2,500 may be initiated without the use of a purchase requisition.

In order to initiate a purchase order, end users must:

- Complete a University Purchase Requisition form, including the following information:
    - Supplier's name, address, phone number, fax number and e-mail address
    - Shipping address (including phone number), how shipment is to be sent and delivery date required
    - An accurate description of goods to be ordered, possible supplier, and accurate price of the goods / services being purchased. The suitability of a supplier to the University should be determined by quality, price, delivery, and payment terms
    - Nature of goods / services being purchased (i.e. exclusively for research, for use directly in teaching, etc.)
    - General instructions to supplier regarding required goods / services
    - Date of request
    - Complete University account number to be charged (i.e. 19250.8550)
    - F.O.B. point (if required as part of purchase conditions)
    - Name of requisitioner
    - Signature by appropriate signing authority of account being charged
    - Ensure there is sufficient budget or grant funds available to cover the estimated cost of the goods / services

A sample of a completed Purchase Requisition form can be found at Purchase Requisition Form Example

It is recommended that a copy of the completed Purchase Requisition form should also be retained by end user department for future reference

b) Competitive Bidding and Purchasing Methodology
The following chart briefly summarizes the limits and methods required:

Single Item Purchase Amount (excluding taxes)	Method of Purchase	Competitive Bid Requirement	Purchasing Services Involvement
Up to $2,500	U of W Purchasing Credit Card, Invoice or Purchase Order (only if required)	None required (end user can place order directly with supplier)	Not required
$2,501 to $10,000	Purchase Order	Minimum of one (1) written competitive quote required. Two (2) additional quotes may be required by Purchasing Services to ensure best value.	Required
$10,001 to $100,000	Purchase Order	Minimum of three (3) written competitive quotes – Purchasing Services to advise on process and obtain quotes	Required
Over $100,000	Purchase Order	Public competitive bid process required (i.e. MERX) via Purchasing Services	Required

All orders between $2,501 to $10,000 will require a minimum of one (1) written quote from the proposed supplier (unless otherwise specified for a research grant, where the external funding agency purchasing requirements will take precedence). This written quote can be obtained by either the University Purchasing Department or the end user. The University Purchasing Department, at its discretion, may require two (2) additional quotations to ensure best value is obtained.

All orders above $10,000 will require a structured competitive bid process to be followed, unless it is an allowable exception to this policy or sole source supplier claim is submitted for approval. This process will ensure the University gains the best possible value within the context of legal and purchasing directives and that it is practicing an open and fair business policy. In the case of a sole source procurement, the University Purchasing Department will obtain a formal quotation from the requested supplier.

All orders above $100,000 will require adherence to the University Major Acquisitions Policy.

i) Research Grant Programs / External Funding Agencies
For research grant programs, when receiving funding from external agencies and where their purchasing requirements are different from University requirements, the external funding agency requirements will take precedence.

ii) Exceptions to Purchasing Policy

Exceptions to this policy include the below listed items. Procurement resources will be available to support the purchase of these goods and services where required.

1. All contract or consulting work related to any alterations, renovations or construction fall under the control of the University's Facility Services department. End user must always contact a staff member in Facility Services to arrange any of this type of work in order that codes are complied with as part of project
2. Chemical Control Centre business operations related to hazardous materials acquisitions and stock room services
3. Emergency purchases where an immediate purchase or procurement decision is necessary to prevent a serious delay that could reasonably result in danger to life, damage to property, or suspension of the provision of an essential service for the University
4. Insurance
5. Inventory goods for re-sale (i.e. Bookstore, Food Services)
6. Legal fees (i.e. negotiated by University Counsel)
7. Library book / collection acquisitions (i.e. serials)
8. ITS selected software license renewals and maintenance / service contracts
9. Personnel services and employment contracts (contact Human Resources)
10. Taxes
11. Travel, entertainment or hospitality related expenses and associated reimbursements - please refer to other University policies
12. Utilities (i.e. natural gas, hydro, water)
13. If a cooperative or joint venture to purchase goods and / or services exist with other institutions such purchases are to be made according to the procedures of that group, which may not be identical to, but are consistent with the intent of this policy
14. Exceptions designated as "Excluded Transactions" under the "Delegation of Purchasing Authority"

The above noted list of exceptions to this policy will be reviewed on a regular basis and any changes will require approval by the Vice President, Planning and Administration.

iii) Purchase Requisitions that Require Special Attention

The list of purchase requisitions that should require special attention or consideration includes, but is not limited to, the following:

- 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 whether or not in-house facilities can provide the service at a competitive price
- Print material must comply with University visual / logo standards and will require prior approval from the University. Approval must be obtained prior to order being processed.
- Requests for space renovations must be referred to University Facility Services for technical advice
- Requests for computer equipment, printers, audio-visual equipment, etc. must be in compliance with standards established by Information Technology Services / Centre for Teaching & Learning to ensure a proper match of intended use to equipment ordered and for compatibility
- Requests for consulting services. Competitive acquisition for all consulting services must occur regardless of dollar value.

For additional information regarding these types of requisitions, please contact the University Purchasing Department.

iv) Sole Source Procurement

In the case where an end user has identified the purchase of goods / services from a sole supplier, the University Purchasing Department will follow the University Sole Source Procedure.

This procedure requires a written explanation and sign off by the end user that explains in detail why the goods / services can only be provided by the supplier specified on the Purchase Requisition. If the end user makes the claim that items can only be provided by one supplier, the requirement for competitive bid process may be waived if the criteria for "sole source supplier" is met. The guidelines are, by necessity, quite general and will be tempered by the Purchasing Officer's judgment in the case of necessary exceptions.

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

- To ensure compatibility with an existing product
- To protect copyrights or patents
- For the maintenance or repair of specialized equipment that must be carried out by the manufacturer or its representatives
- To take advantage of exceptionally advantageous circumstances such as bankruptcy or receivership
- If goods are already subject to a lease-purchase agreement where payments are partially or totally credited to the purchase
- If, for scientific or research reasons, the product is only available from one source-in this case, the requisitioner accepts personal responsibility that no other product can meet the specifications required for his/her scientific or research needs

Additional questions regarding sole source procurements can be referred to the University Purchasing Department.

c) Purchase Order

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

i) Purchase Order Distribution

- Original – e-mailed or faxed to supplier and filed in Purchasing
- Copy – e-mailed to requesting Department

The completed requisition and corresponding backup detail is ultimately attached to the original copy and then filed alphabetically within the University Purchasing Department.

ii) Purchase Order Amendments (Change Orders)

Changes to purchase orders must be documented by means of a properly authorized Purchase Requisition. The description field of the amending Purchase Requisition should be clearly marked with "CHANGE ORDER REQUEST". Where the requested change affects the overall value of the purchase order, confirmation of available budget funds should be obtained prior to processing. In all cases, 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.)

In general, a purchase order amendment will be subjected to the same policies and procedures as the original purchase order request.

iii) Payment of Purchase Order

Upon receipt of the goods / services procured, the end user shall confirm that the order has been received appropriate. This process should include noting any back orders, errors, or other discrepancies. The packing slip should be retained for future reference, with original invoice (if received) being forwarded to the University Accounts Payable Department for further processing. A photocopy of the original invoice should also be photocopied by the end user and retained for future reference.

Invoices will not be paid until a properly authorized original invoice (indicating goods / services have been received in good order) has been received in the University Accounts Payable Department.

In the case of damaged goods or short shipments, the supplier and / or transportation company should be notified as soon as possible, being sure to retain all items and corresponding packaging for further inspection. The University Purchasing Department should also be informed in this event. The responsibility for damages that are caused in transit rests with the transportation company. It will be necessary for the packaging of such shipments to be inspected by the carrier's Claims Adjuster so that they may ensure that the supplier properly packaged the shipment. The University Purchasing Department will be responsible for follow-up, so all packing slips, inspection reports, etc. must be forwarded to the University Purchasing Department. An invoice will be prepared charging the transportation company for the damage or loss.

In the case of short shipments, supplier should be notified as soon as possible after delivery. If a shipment is short-shipped, and there is no indication that the shortage was intentional, the following action should be taken:

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

iv) Return of Goods

The University Purchasing Department should be informed of any goods to be returned to a supplier. The University Purchasing Department will coordinate return of items with end user department. End users are asked to retain original packing slips and packaging to facilitate return of goods. It is important to note that any restocking fees (if applicable) will be the responsibility of the end user department.

6) Tendering

Acquisitions of goods or services involving a total cumulative commitment of $100,000 will require adherence to the University Major Acquisitions Policy. This policy does not include construction or renovation projects, as these are handled under the University Procurement Policy - Facility Services. It also does not apply to acquisitions that have met required Sole Source criteria and have been further approved by the University Purchasing Department.

In the event that a purchase of goods or services meets the above noted criteria, end users are asked to contact the University Purchasing Department as soon as the need has been identified in order to obtain further guidance. Specific tender documents for major projects can be developed with the assistance of University Purchasing and / or Facility Services Departments.

All bids, on or before the specified bid closing date and time, are provided to the specified University contact in a sealed envelope with the bid number clearly identified on the outside of the envelope. Any bids received after the specified closing time will not be considered. The responsible University Officer will open received envelopes and record the corresponding bids.

For purchases valued at $100,000 or greater, Suppliers will be entitled to a debriefing session with the University. The University will allow 60 calendar days following the date of the contract award notification to request a debriefing session. Suppliers must make the request for a debriefing session in writing to the designated University contact as noted within the University bid document. Once a request for a debriefing session has been received, the designated University representative will contact the Supplier to confirm the date and time of the debriefing session in writing. Additional information on the University Debriefing Procedure can be obtained from the University Purchasing Department.

7) Blanket (Standing) Orders

Blanket orders are used to acquire repetitive, low value items where it is impractical and inefficient to issue a separate order for each transaction. The item, or items to be acquired, should be identified and priced by unit where possible and a total "not to exceed" value for the period covered by the order should be stated. In the event that a blanket order has become over expended during the fiscal year, the University Purchasing Department will inform the end user department, which at that point can decide whether to issue another Purchase Requisition to cover the balance funds required for the rest of the fiscal period. Any requests for blanket orders will be reviewed and approved by the University Purchasing Department before issuance.

It should be noted that wherever possible, end users are strongly encouraged to utilize a University Purchasing Visa Card to handle purchase of repetitive, low value items.

8) Emergency Orders

True emergency situations are very rare as relates to orders of goods or services that have the potential to jeopardize other University activities and/or resources. In emergency situations where standard procedures may be inadequate, end users are asked to contact the University Purchasing Department at the earliest possible opportunity such that a practical solution may be determined.

For proposed emergency purchases where total value is greater than $2,500, end users will complete a Purchase Requisition form to the University Purchasing Department indicating the goods and / or services to be purchased. The University Purchasing Department will then attempt to prioritize the request accordingly and process as quickly as possible. For proposed emergency purchases over $10,000 will require completion of a Purchase Requisition and associated Sole Source Form, as well as a document (i.e. memo, e-mail) from the appropriate senior administrator (i.e. Dean, Director) of the account being charged confirming that the emergency situation is legitimate.

Further information on the process relating the emergency orders can be obtained from the University Purchasing Department.

9) Preferred Vendor / Travel Agreements

The University has negotiated a number of preferred vendor agreements that extend to all campus end users. These agreements have been developed by the University to leverage purchase power and enhanced levels of service for the campus. End users are strongly encouraged to consider these agreements prior to purchasing goods and services which they cover. A current list of preferred vendor agreements can be found at Preferred Vendor Agreements.

The University also has a number of travel agreements for hotels, car rentals and rail that have been negotiated for University business use. More information on these preferred travel agreements can be found at Preferred Travel Agreements.

Additionally, there are other agreements available to University employees through the Canadian Association of University Business Officers (CAUBO). These agreements include discounted hotel & car rental rates for those University members traveling for business purposes. Additional details on these agreements can be found on the CAUBO web site.

10) University Credit Card Programs

The University currently has two Credit Card programs (Purchasing and Travel) that the University Purchasing Department is responsible for administering. Scotiabank (Canada) is the current VISA service provider for the both card programs. These credit cards offer an alternative to the existing payment processes and provide an efficient alternative method of procuring University related business goods and services. These card programs have been designed to meet the needs of end users, as well as those of the University.

University of Windsor Purchasing Card Program

This program enables University end users (i.e. faculty and staff) to procure and pay for low value items without having to involve the University Purchasing Department. These credit cards simplify both the procurement and disbursement processes. When a purchase is made in person, by phone, or over the Internet, the supplier requests a purchase authorization at the point of sale. The Visa system validates the transaction against pre-defined limits established by University. Transactions are then instantaneously approved or declined based on specified card authorization criteria.

The University pays these charges to the bank on a monthly basis on behalf of each cardholder. The standard Purchasing Card limit is $2,500 per transaction (including taxes) with an overall limit of $10,000 per month. Additional information on the University Purchasing Credit Card program can be found at Purchasing Card Program.

Participation in this program is a convenience that carries specific cardholder responsibilities to ensure that all program requirements are being followed. As part of the Cardholder Agreement that is signed prior to card issuance, cardholders agree to accept responsibility for the protection and proper use of the credit card and are expected to comply with all internal control procedures in order to protect University assets. As with any financial instrument, end users should be aware of University policies and restrictions prior to obtaining and using the card. The Purchasing Card is to be used only for purchases related to University business. Use of the card for personal purchases is strictly prohibited and cardholders may be subject to disciplinary actions.

It is critical that all cardholders match up and reconcile credit card receipts to the transactions on a regular monthly basis. Original receipts should be stapled to the statement and filed in chronological order. For audit purposes, all receipts must be retained by the cardholder for 7 years.

Benefits to End Users:

- Eliminates the need to issue a Purchase Order for low value transactions
- Eliminates the need to use personal funds and obtain reimbursement
- Provides convenience, security and flexibility
- Allows end users to obtain goods / services faster

Benefits to the University:

- Reduces the number of invoices, cheques and purchase orders
- Enables Administration to focus on value-added activities

Billing Process for University Purchasing Card Program

- A consolidated credit card statement, complete with individual details, will be sent to cardholders, as well as the University Purchasing Department
- Transactions made on the card are uploaded from the bank once per month to the University Financial Information System (FIS) and charged to cardholder's applicable account
    - Individual cardholders have the option to reassign accounts for expenditures prior to this upload. For more information on how to perform this re-allocation, refer to "How To" Guide For Purchasing Cards.
    - All card balances will be paid by the University Purchasing Department to the bank within the required payment deadlines so as not to incur any interest penalties
    - In cases where there are disputes over credit card purchases, cardholders are responsible to complete a Scotiabank Dispute Form. Cardholders should first attempt to resolve any disputed charges with suppliers prior to contacting the bank. Any credit forthcoming will be credited to the cardholders account once the credit has been processed.

University of Windsor Travel Card Program

The University has offered Travel Card Program as a means to assist individuals with a convenient method to pay for University related business travel expenses such as airfare, hotels, car rentals, meals, etc. The Travel Card is issued in the cardholder's name and they are responsible to pay for the charges on their card. The monthly limit on expenditures against a Travel Card is $15,000. The cardholder is then responsible to submit a completed University Travel Expense Reimbursement form to the University Accounts Payable Department in order to obtain funds to be used to pay off expenses on the Travel Card.

Reimbursement for University business related travel costs are on a "one-up approval" basis. An advantage of the Travel Card is that reimbursement can occur before trip date. Where personal credit cards are used, reimbursement of expenses will be post travel.

Like the University Purchasing Card Program, participation in the Travel Card Program is a convenience that carries specific cardholder responsibilities to ensure that all Program requirements are being followed. As part of the Cardholder Agreement that is signed prior to card issuance, cardholders agree to accept responsibility for the protection and proper use of the credit card and are expected to comply with all internal control procedures in order to protect University assets.

Travel Cards are strictly for business travel related expenditures and are not to be used for any transactions of a personal nature. Unauthorized use of the card could be considered as improper use of University funds, which could ultimately result in disciplinary action. Additional information on the treatment of non-compliant transactions can be obtained from the University Purchasing Department.

All cardholders should not that charges incurred are due and payable by the cardholder in full immediately upon receipt of the cardholder's monthly statement. In the event that charges are not paid in full by the required due date, finance charges will be applied to the cardholder's account. These finance charges will then become due and payable by the responsible cardholder. Where balances remain due against cardholder accounts for multiple statement periods, a delinquency process will be initiated by the University Purchasing Department. Additional information on treatment of delinquent cardholder accounts can be obtained from the University Purchasing Department.

Billing Process for University Travel Card Program

- A consolidated credit card statement, complete with individual details, will be e-mailed to the cardholder's University e-mail account on a monthly basis 3 business days after the 15th
- The credit card cycle runs from the 16th of the prior month through the 15th of the current month
- Cardholders are responsible to reconcile statements and make full payment on balance owing immediately upon receipt of statement

Additional questions regarding University Credit Card programs can be referred to the University Purchasing Department.

11) Use of Personal Credit Cards

In light of the program that have been established for University Purchasing Cards, end users are strongly discouraged from using personal credit cards to purchase University business related items for the following reasons:

- Items are ultimately more costly to the University as sales tax rebates cannot be claimed
- Established vendor discounts may not be applied as purchase has not been acknowledged as being on behalf of the University
- Ownership and title to the item will not be attributed to the University and will vest with the individual

End users should contact the University Purchasing Department to review possible procurement alternatives prior to executing purchases of business related items.

In the event that a personal credit card is used to purchase University business related goods or services, end users must still comply with all Purchasing and other applicable University policies. Additionally, all original receipts must be obtained and provided as part of the request for reimbursement.

12) Off Campus Assets

Where University purchased assets, regardless of source funding (e.g. operating, grant or trust accounts), will be loaned or relocated off campus, end users are required to make a declaration via the Off Campus Asset Location Form. This form contains the terms and conditions under which the asset will be placed while off campus. End users are responsible to complete this form and to submit to the University Purchasing Department for further review and processing.

13) Bulkstores

The University Purchasing Department maintains a central Bulkstores area on campus for commonly used stationary items including fine paper, photocopier supplies, University forms, etc. There are several benefits to procuring available items through Bulkstores including:

- Daily deliveries to departments
- Orders can be sent directly to the University Purchasing Department
- Direct billing to specified departmental account

A full list of current supplies in Bulkstores can be found at Bulkstore Catalogue. This price list is maintained by the University Purchasing Department and is updated on a monthly basis. To procure items from Bulkstores, end users are required to complete and submit a Bulkstores Order Form to the University Purchasing Department.

14) Furniture Stores

The University also maintains an area on campus to retain furniture and other equipment that has been surplused by a department. Items within Furniture Stores are available to other departments on campus for use in their areas. As such, departments can make a request to view items in Furniture Stores by contacting the University Purchasing Department. A list of items within Furniture Stores is maintained by the University Purchasing Department and can be made available upon request. End users who wish to obtain items from Furniture Stores are asked to contact the University Purchasing Department, who in turn will assist in making the necessary arrangements to have the items relocated.

15) Disposal of Obsolete or Surplus Equipment

The goal of the Surplus Equipment Program established by the University is to support the prudent stewardship of surplus property by reusing quality surplus items generated on campus prior to considering the purchase of new items and properly facilitating the sale, donation or disposal of equipment, while also ensuring that all acquisition, funding and disposal regulations are met.

The University Purchasing Department should be informed of any items, regardless of value, that are no longer required such that University capital asset records can be updated accordingly and where possible, items can be redistributed to other departments, sold, donated, or scrapped. These items can include computers, furniture and other equipment that may have some value to another end user on campus. It is important that disposal of University assets, regardless of value, must be processed through the University Purchasing Department in order to ensure that the University community is made aware of the availability and possible utility of the assets in the event that a transfer might be possible and to coordinate appropriate updating of financial records with the Finance Department.

No University property may be removed from the campus for personal use, re-sale or other unofficial use unless processed through the University Purchasing Department. This provision also applies to discarded items, as well as equipment or supplies that are currently in use. Further, any discarded or in-use or items from students, tenants or visitors will also be subject to this provision. At no time should any items be removed from dumpsters, garbage cans or other disposal locations for personal use and / or sale.

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

- Assist end users in determining the probable value of the assets. In the case of computer equipment, this will be done in consultation with Information Technology Services.
- Determine the necessity of any external advertising
- Assist with the process of obtaining competitive bids for any proposed sale
- Determine the applicability of any taxes
- Ensure that the University has received or will receive adequate (monetary) value for any sale.
- Arrange for the recording of any transfers or sales in the University equipment records

University Disposal Process

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

If the item(s) are deemed as "saleable", the respective Purchasing Officer will advertise items on a Disposal Sale, giving other departments on campus the first opportunity to purchase them. If there is no interest from departments on campus, then the disposal will be open to all faculty, staff, students and other individuals on a “highest bidder” basis. All proceeds from the Disposal Sale will then be applied to the selling department's account.

If the item(s) are determined to be of no further value to the campus, then the University Purchasing Department will assist in either donating the items to another organization (e.g. charity, school, etc.) and arrange for their removal.

Where item(s) are deemed not saleable or donatable, the department should notify the Facility Services Department to arrange for removal and an environmentally safe disposal. In this instance, departments are also requested to notify the University Purchasing Department and provide them with the relevant serial numbers for inventory management purposes.

Further questions regarding the University disposal process can be referred to the University Purchasing Department.

16) Year End Cutoff

The cut off for processing of purchase orders generally occurs in mid-April of each fiscal year as per the date specified by the University Finance Department. This practice helps to ensure that all goods and services are received, invoiced and recorded by the University by the end of the fiscal period (April). It should be noted that only those purchase requisitions received prior to this deadline will be processed within the fiscal year.

Invoices against purchase orders that are received prior deadline established by the Finance Department for the fiscal period end (normally late April), should be forwarded the Accounts Payable Department for further review and processing. These invoices should then 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 fiscal period end will then be closed out and re-issued in the new fiscal period. For any blanket purchase orders, new purchase requisitions should be submitted to the University Purchasing Department for further review and processing during the new fiscal period.

Any purchasing related questions regarding the year end cutoff process can be referred to the University Purchasing or Finance Departments.

Accounts Payable Manual

1) Requirements for Payment

The University Accounts Payable Department is accountable for the review of documentation related to payment requests to ensure that it complies with applicable University policies and procedures.

In general, there are two basic types of payment related documents that are reviewed and processed by the University Accounts Payable Department:

- Invoice
    - Must be original
    - Approval by signing authority of account being charged
    - Payment per University Policy is net 30 days from date of invoice

- Cheque Requisition
    - Must have original receipts attached for all reimbursements
    - Approval by signing authority of account being charged

2) Payment Schedule / Deadlines

Payments against invoices that are due are normally issued every other Wednesday. All invoices to be paid on Wednesday must be in possession of the University Accounts Payable Department by the preceding Tuesday at 12:00 p.m.

Payments of cheque requisitions that are due are normally issued every Wednesday. All cheque requisitions to be paid on Wednesday must be in possession of the University Accounts Payable Department by 4:30 p.m. of the preceding Friday.

Additional questions regarding Payment Processing can be referred to the University Accounts Payable Department.

3) Responsibilities

As part of the payment process, there are a number of responsibilities for which affected parties are ultimately accountable. A summary of these respective responsibilities is captured below:

- The Approver, as the authorized person approving payment, is responsible for:
  - Checking if expense is valid charge against cost centre
  - Verifying that goods or services have been received
  - Verifying that goods or services have not been paid previously
  - Making sure that the request for payment is accurate
  - Assigning the account number and proving proper signature
  - Ensuring all supporting details (e.g. original receipts, etc.) are included with payment request
  - Timely submission of payment request

- Accounts Payable is responsible for verifying
  - The invoice against a Purchase Order
  - Whether the expense is within University Policy guidelines
  - That the person approving payment has signing proper authority
  - Ensuring timely payment of invoices and cheque requisitions
  - Verifying if charge is proper for object and sub-object account numbers
  - Auditing additions and extensions

4) Travel Policy

The University has instituted a Travel Policy that establishes requirements for the reimbursement of travel related business expenditures incurred by University employees in connection with performance of their respective duties, unless the terms for which they are appointed provides that different rules and / or policies apply.

This policy applies to all University business related travel including research grant travel, regardless of the ultimate source of funding, unless specifically indicated otherwise by the funding source. Any travel claims that are funded by a third party will be governed by the policies and regulations of that funding agency. Where regulations for those funding agencies are different from the University policies, the more stringent policy will take precedence.

A Key Responsibility summary has been established by the University Accounts Payable Department to further assist all stakeholders in the processing of all travel claims.

Additional questions regarding the Travel Policy, and its requirements, can be referred to 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.

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 sets out provisions for perquisites that are allowable and those that are not. A perquisite refers to a privilege that is provided to an individual or to a group of individuals, provides a personal benefit and is not generally available to others. 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 ministries and agencies of the Government of Ontario.

This directive is based on three key principles.

Accountability
Organizations are accountable for use of their public funds. All expenditures support business objectives.

Transparency
Organizations are transparent to all stakeholders. The rules for perquisites are clear and easily understood.

Value for Money
Taxpayer dollars are used 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 have 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 against 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 designate signing authority to subordinates (e.g. Department Head or Manager) for certain transactions and / or dollar limits on an ongoing basis.

In the absence of the responsible Signing Authority, it is required that a notice be forwarded to the University Accounts Payable Department, naming the temporary replacement for signing authority. This notification should be forwarded well in advance of the Signing Authority's departure date, as this advanced notice will eliminate any unnecessary delays in the procurement cycle.

Further questions regarding the Signing Authority process can be referred to the University Accounts Payable Department.

9) Payment Procedures

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

- Invoice With Corresponding Purchase Order
  - Over $2,000
    - Invoice is received by the University Accounts Payable Department, verified and recorded in the University Financial Information System (FIS) against the corresponding University Purchase Order
    - Invoice is then forwarded to responsible departmental end user for "positive approval". This process means that the invoice has to be approved by the person with signing authority for the account number(s) being charged.
    - End user returns approved invoice to the University Accounts Payable Department for further review and processing
    - If invoice is compliant to policy, the Accounts Payable Department performs final processing and sets for payment
      - Invoices are normally paid 30 days from date of invoice, although payment will not be made unless 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

    - Under $2,000
        - Invoice is received by the University Accounts Payable Department, verified and recorded in FIS against the corresponding University Purchase Order
        - Invoice is then forwarded to responsible departmental end user for reference only
        - In the event that there is an issue with the invoice or payment, the end user department must notify the University Accounts Payable Department within five working days in an effort to hold the pending payment, otherwise it will be paid as it becomes due (net 30 days as per the University's Payment Terms)

- Invoice for Non-Purchase Order Items
    - Usually received by requesting end user department
    - In the event that Accounts Payable receives this type of invoice, they will record in FIS and forward to the responsible end user department
    - End user department must note the cost centre (business unit) and account information (object account) on the original invoice
    - Responsible signing authority of the account being charged must approve the original invoice
    - 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 items 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
    - In the event that 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 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.)
    - In order to submit a request for reimbursement, departmental end users shall complete a University Cheque Requisition Form, noting all pertinent information in order to complete the payment. These forms are available through the University Finance Department.
    - The departmental end user is also responsible for obtaining approval from the designated Signing Authority of account(s) being charged
    - Departmental end user then submits the approved University Cheque Requisition to the University Accounts Payable Department, along with all supporting documentation (e.g. original receipts, etc.) for further review, processing and issuance of payment

    - Travel Expense Reimbursements
        - Expense Reporting
            - University business related travel expenses will be reimbursed providing they are reasonable in nature and amounts, are supported with appropriate documentation and have been appropriately approved
            - All travel expenses (e.g. mileage, meals, etc.) must be in compliance with the University Travel Policy
            - In order to claim travel expenses, the traveler must submit an approved Travel Expense Form within 15 working days from the completion of the trip
            - Any undue delay in submission may invalidate claim
            - For travel in the United States and/or abroad, end users can submit a Travel Expense Form in either Canadian or U.S. currencies
            - If a trip includes travel in 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 which requires original receipts, the original receipts must first be submitted 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 *with the exception* of the per diems and gratuitous accommodation
  - Where a receipt is required, an original, itemized document on company letterhead acknowledging receipt of payment will be necessary in order to obtain reimbursement
  - In instances 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 together 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 be in compliance with the University Entertainment Policy
    - Normally, acceptable purposes for entertaining involve a University guest, visitor, donor or benefactor
    - Any entertainment shall 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 relating 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).
    - In order 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 undue delay in submission may invalidate claim for reimbursement or 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, these should be reported in the Entertainment Section identified on the Travel Expense Form.

- Receipts
  - Claims must be accompanied by original receipt(s) and must be substantiated by 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 those for honorariums, are subject to Revenue Canada Regulations as they are considered taxable income
  - Revenue Canada regularly audits the University to verify taxes are withheld as per required regulations
  - As per 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, which are 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 by general University cheque
  - In the event that the payment is identified for the University Payroll Department, they will initiate and approve all requisitions, as well as issue the appropriate tax slips as required

10) Travel Advances

Travel advances, in applicable instances, are available to University employees who will be out-of-pocket for expenses that are authorized, reimbursable and are related to approved "out-of-area travel".

In the event that a travel advance is required, end users shall complete and submit a cheque requisition with appropriate supporting documentation to support the request. This cheque requisition must be approved by the designated Signing Authority of the account(s) being charged. Sufficient time should be allowed to permit an advance to be processed within the normal payment processing deadlines.

Travel advances are accountable to the same applicable University policies as other types of payment requests and must ultimately be supported by a Travel Expense Form upon return from travel. If no such Travel Expense Form is submitted to clear the advance within the standard 15 day period required by the University Travel Policy, the University Accounts Payable will perform the necessary follow up with the end user department. Please note that in the event that a travel advance remains outstanding beyond what is required by policy, any requests by the end user for additional / new advances may not be considered.

A suggested alternative to a travel advance is use of the University Travel Card as a means to pay for University business related travel. Any University business related travel expenses incurred on the Travel Card can be reimbursed prior to the actual travel.

Additional questions regarding travel advances can be referred to the University Accounts Payable Department.

11) Petty Cash

The intent of Petty Cash imprest funds is to provide a small amount of cash at a number of locations throughout the campus as a convenience to faculty and staff for making low dollar purchases for University business related purposes.

Where end user departments have been given a petty cash allotment, they are responsible for adequate security and control of these funds. The petty cash fund should be secured at all times, in a locked place, as there is no insurance available to cover losses from the fund as a result of theft or other reasons.

In order to add, decrease or replenish petty cash funds, end users will need to complete and submit an approved cheque requisition with appropriate supporting documentation (e.g. original receipts) to the University Accounts Payable Department for further review and processing. End users should also complete a Petty Cash Summary of Changes Form when adding, decreasing or replenishing petty cash funds.

In the event that University business related supplies of the same nature are continually being purchased, from the same source, on a repetitive basis, the end user department should consult with the University Purchasing Department to investigate the potential use of alternative purchasing procedures (e.g. University Purchasing Card).

Additional questions regarding Petty Cash Procedures can be referred to the University Accounts Payable Department.

12) Direct Deposit for Employees and Vendors

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

All Canadian currency expense reimbursements for payments issued to University employees will be done as a direct deposit (electronic fund transfer) into the designated employee bank account that has been previously provided to the University Payroll Department. These deposits will be made into the designated bank account based on normal processing deadlines identified by the University Accounts Payable Department. Upon deposit, employees will receive a confirmation e-mail containing the specific payment details. This e-mail will be sent to the employee's designated University e-mail account on the day of the deposit.

Canadian based vendors will also have the option for direct deposit into a specified Canadian bank account. This payment option will help to eliminate any potential handling and / or mailing delays associated with the issuance of cheque. This payment option will also reduce the potential opportunity for payment misrouting, theft and forgery. For these reasons, Canadian based vendors are strongly encouraged to enroll in the University's Direct Deposit Program for these reasons.

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

13) Wire Payments

The University Accounts Payable Department has the ability to issue wire transfer payments. These wire transfers can be used in situations where payment will not be issued in either Canadian or U.S. funds or in other special, warranted circumstances. Please note that these wire transfers do require a separate process from other payment methods (e.g. direct deposit, cheque) and will require additional lead time on the part of the University Accounts Payable Department in order to issue.

In order 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 Ontario Harmonized Sales Tax (HST). Additional information on Calculating Taxes can be found below:

HST

- 13% of cost of goods / services
- Includes 5% Federal tax (GST) and 8% Provincial tax (OHST)
- Paid by the University on most goods / services
- Revenue Canada allows the University to claim a 67% rebate of actual Federal tax paid and 78% rebate of actual Provincial tax paid
- Facilities (construction) and research purchases are subject to 8% Provincial tax
- Failure to claim the HST rebates (where applicable) will result in potential missed budget savings

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

Additional questions regarding the calculation of HST and rebates can be directed to the University Accounts Payable Department.

15) Year End Cutoff

The cut off for processing of invoices and cheque requisitions generally occurs in late-April of each fiscal year as per the date specified by the University Finance Department. This practice helps to ensure that all goods and services are received, invoiced and recorded by the University by the end of the fiscal period (April). It should be noted that only those invoices and cheque requisitions received prior to this deadline will be processed within the fiscal year.

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

Any payment related questions regarding the year end cutoff process can be referred to the University Accounts Payable or Finance Departments.