

MEMO



DATE: October 23, 2020
TO: Algonquin College Staff and Faculty
FROM: Gordon Warner, Associate Director, Strategic Procurement
SUBJECT: Broader Public Sector Purchasing and Travel Expenses Procedures Review

This memo is being sent to all employees of Algonquin College, as a reminder of the current procurement policies and guidelines.

Algonquin College is a public institution that is required to maintain procurement policies that comply with the Broader Public Sector Directives established by the Government of Ontario.

Purchasing Limits

The current College purchasing policy sets the following limits for procurement of goods and services.

Goods and Professional Services*	Procurement Method
Up to \$2,500	College Purchasing Card (PCard- Credit Card)
\$2,500 - \$24,999	Online purchase requisition, minimum of one [1] written quote required
\$25,000 - \$99,999	Invitational Competitive Procurement, minimum of three [3] written quotes required** (2)
Over \$100,000	Open Competitive Procurement, following Broader Public Sector Guidelines (2)

Consulting Services* (1)	Procurement Method
Up to \$100,000	Invitational or open competitive process, minimum of three [3] written quotes** (2)
Over \$100,000	Open Competitive process (2)

*All amounts are before taxes and include the TOTAL amount of the anticipated spend. For clarity, and as an example, if the anticipated spend is \$50,000 per year, but the contract is for a three-year period, this would require an Open Competitive Procurement since the total spend, and the College's commitment would be over the \$100,000 threshold. These guidelines apply regardless of payment method and a purchase requisition/order is required for all procurement

activities of \$2,500 or more.

****This does not limit Procurement’s ability (at the College’s sole discretion) to hold an Open Competitive Procurement event should the item or service be complicated or potentially contentious.**

⁽¹⁾ An open competitive process must be conducted for Consulting Services in excess of \$100,000 but may be Invitational under that value:

- Consulting Services: means the provision of **expert** or **strategic** advice that is presented for consideration and decision making, e.g. Management Consultants, Policy Consultants and Communication Consultants. Not to be confused with Professional Services.
- Approval from the appropriate authority is required for each process.
 - Up to \$100,000 - invitational or Open Competitive Procurement
 - \$100,000 or more - Open Competitive Procurement
 - **All** Non-Competitive Consulting Services requirements require approval from the President
 - **All** Non-Competitive Consulting Services over \$1,000,000 require approvals from the President and the Board of Governors.

⁽²⁾ The College recognizes that certain goods or services may only be available from one source (i.e. sole/single source supplier). In these cases, a competitive bidding process may not be possible. The Broader Public Sector Guidelines allow for such exceptions and in these instances a Limited Tendering Form must be completed. **This process is to be used on an exception only basis and approved by the Manager or Associate Director of Procurement following the process as outlined in the Procurement procedures manual.**

Signing Authorities

College administrative staff are the only staff that have authorization to approve cheque requisitions (formerly called AP Vouchers), invoices, and purchase requisitions for payment subject to the following limits:

Managers, Chairs, Directors and Deans	Up to \$25,000
Vice-Presidents, President	Within Budget

All cheque requisitions and invoices must be signed by the appropriate signing authority prior to processing payment.

Visa Purchasing Cards

The use of College purchasing cards for one-time purchases under \$2,500 is strongly recommended (Subject to the limitations outlined in the VISA User Guide referenced below).

All transactions charged to the purchasing cards will be uploaded into Workday. It is the responsibility of all cardholders on a monthly basis to code and attach a copy of receipts to each transaction in Workday.

To view uncoded transactions for any period, login to Workday and from the home page, click on the Expenses icon on the right side of the screen. On the next screen from the View menu options on the right, click on Expense Transactions. In the Transaction Status box, select new and enter the date range desired. Click on the OK button.

Here is the user guide link for creating an expense report: [Create Expense Report - PCard](#)

For any questions about how to complete an expense report in Workday:

- ask a Workday buddy (<https://www.algonquincollege.com/workday/buddy-program/>)
- submit a Workday ticket (<https://www.algonquincollege.com/workday/#support>) or
- visit the Workday support team during office hours in C336
<https://www.algonquincollege.com/workday/office-hours/>).

Click here to view the College's Credit Card Program information:

<http://www.algonquincollege.com/purchasing/> ... and user guide:

<https://www.algonquincollege.com/purchasing/files/2018/06/Visa-User-Guide.pdf>

Coding Tips for Pcard Expenses:

1. Enter the total invoice amount **including tax**.
2. Choose the appropriate tax code for the transaction from the list of tax codes with the description "Corporate/Purchase AC Visa Card." Choose the code based on the province where the good/service was purchased or choose the Outside of Canada option if the supplier or expense was incurred outside Canada.
3. Workday will estimate the tax.
4. If the tax amount calculated by Workday does not match the amount of GST and HST shown on the invoice, then enter the total amount of GST and HST shown on the invoice in the Tax Amount box.
5. If your invoice contains multiple items with different tax rates, you will need to split the coding into multiple lines to properly apply the tax rate appropriate to each item.

How Do I Know How much GST or HST to Enter in the Tax Amount Box in Workday for Pcard and Corporate Card Transactions?

1. **Always obtain a proper receipt.** GST and HST amounts charged will normally be indicated as such on your receipt with the description GST or HST. If you only have a copy of your credit card receipt, this will not be indicated. This is one of the reasons a credit card receipt alone is insufficient supporting documentation to support the expense claim.
2. **Never include taxes or fees charged for non-Canadian taxes.** The College is allowed to claim a rebate on GST and HST paid (Canadian taxes) and so the CRA will not allow us to claim a rebate on foreign taxes paid.
3. **Do not include other fees and taxes not identified as GST or HST** such as municipal taxes, hotel taxes, airport fees that may be on your bill. We are not entitled to claim a rebate for these other fees and taxes.

Travel, Hospitality and Miscellaneous Expenses

Expenditures relating to the recognition of events such as office social events, staff holiday parties/lunches, flowers, donations, gifts, or memorials are not to be paid for from College funds.

When claiming expenses for meals or entertainment, the name of the individuals, plus name and purpose of the meeting must be documented on your expense claim or corporate credit card reconciliation. Meals taken during travel will be reimbursed at the established meal reimbursement rates, regardless of the actual meal costs. This is a meal allowance. Taxes and gratuities are included in the meal reimbursement rates. Receipts are not required to be submitted or retained when claiming a meal allowance, if you are claiming an amount other than the standard meal allowance amount, this must be approved by your supervisor and a copy of the receipt must be submitted.

Gasoline purchases may be charged **only** for college-owned vehicles and vehicles rented under the College's name.

Expenses for transportation, accommodations and meals, while travelling out of town, should be charged to **Travel or Travel Professional Development** as applicable. All travel related expenses, including mileage charges for the use of one's own vehicle, must be supported by an appropriately signed Travel Authorization form.

You can refer to the College's Travel and Travel Expense Claims policy at:

<http://www2.algonquincollege.com/directives/policy/ad12-travel-meals-and-hospitality-policy/>

Your assistance regarding these procedures is appreciated as we intend to make the most effective and efficient use possible of the College's resources.

If you have any questions regarding the information above, please feel free to contact the following managers in Finance and Administrative Services:

Jasmine Ochulor	Manager, Procurement, ochuloj@algonquincollege.com Ext. 5055
James Pede	Manager, Operational Accounting pedej@algonquincollege.com ext. 6116

Other Resources

Please review the Algonquin College Purchasing Policy and Procedure Manual by clicking on the link below:

<http://www.algonquincollege.com/purchasing/purchasing-policy-and-procedure-manual/>

The Government of Ontario's Broader Public Sector Expenses Directive can be found by clicking on the link below:

<https://www.ontario.ca/page/broader-public-sector-expenses-directive>