

MEMO

DATE: September 19, 2022

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 Credit Card (Bank of Montreal Mastercard)
\$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 required** (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, Procurement or Associate Director, Strategic Procurement following the process as outlined in the Procurement procedures manual.**

Approval 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 approved by the appropriate signing authority prior to processing payment. **This is not to be confused with the authority to sign contracts.** Rules for who can sign contracts and all other legally binding agreements on behalf of the College are documented in Board Policy BG-II-06 Delegation of Contract Signing Authority.

Mastercard 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 [Mastercard User Guide](#)).

All transactions charged to College Credit 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. Credit card transactions from the prior month are due to be coded by the fifth business day of the new month. **Failure to meet this deadline will result in suspension of the cardholder’s credit card.**

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.



Expenses

If the Expense icon is not visible, click on the View All Apps link:  [View All Apps](#)

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](#) or
- [submit a Workday ticket](#)

Click here for more information about the College's Credit Card Program:

- [BMO College Credit Card User Guide](#)
- [Procurement website](#)

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 Credit Card." Choose the code based on the province where the good/service was purchased or choose the Outside of Canada (0%) option if the supplier or expense was incurred outside Canada.

Corporate/ Purchase AC
Credit Card BC, AB, MB, SK,
QC, NT, NU, YT (5%)

Corporate/ Purchase AC
Credit Card HST 8% (8%)

Corporate/ Purchase AC
Credit Card NB, NL, NS, PEI
(15%)

Corporate/ Purchase AC
Credit Card ON (13%)

Corporate/ Purchase AC
Credit Card - Outside of
Canada (0%)

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 College credit 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.

GST/HST Rules for Personal Reimbursement:

CRA rules allow Workday to estimate the amount of GST/HST paid. Users do not input the actual taxes from the invoice or receipt. Instead, users need only identify whether the expense item was tax exempt, subject to 5% (in Canada but outside Ontario or the Maritime provinces), 13% (Ontario) or the 15% (in Maritime provinces) tax rates. Select from the following options for personal expenses:

- Exempt
- Personal Expense BC, AB, MB, SK, QC, NT, NU, YT (5%)
- Personal Expense HST 8% (8%)
- Personal Expense NB, NL, NS, PEI (15%)
- Personal Expense ON (13%)
- Personal Expense - Outside of Canada (0%)

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 approved spend authorization for travel when the expected travel cost will exceed \$200. The spend authorization must be submitted and approved in Workday prior to the start of travel.

Here is the user guide link for creating a spend authorization for travel: [Create Spend Authorization for Travel](#)

You can refer to the College's Travel and Travel Expense Claims policy at:
<https://www.algonquincollege.com/policies/files/2018/09/AD12.pdf>

Contact

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:

Phillippe Roy	Manager, Procurement, royp@algonquincollege.com
Tara Vicckies	Manager, Operational Accounting vicckit@algonquincollege.com ext. 6117

Other Resources

Please review the Algonquin College Purchasing Policy and Procedure Manual at the following link: <http://www.algonquincollege.com/purchasing/purchasing-policy-and-procedure-manual/>

The Government of Ontario's Broader Public Sector Expenses Directive can be found at the following link: <https://www.ontario.ca/page/broader-public-sector-expenses-directive>

For quick reference, please refer to the [Employee Guidelines for Procurement](#)

ALGONQUIN COLLEGE PROCUREMENT



EMPLOYEE GUIDELINES FOR PROCUREMENT

PROCUREMENT THRESHOLDS GOODS & SERVICES AND CONSTRUCTION



VALUE CDN	PROCUREMENT METHOD	REQUIREMENT
UP TO \$2,500*	PCard	No quote
MORE THAN UP TO \$2,500 - \$25,000*	Online Purchase Requisition	One (1) written quote**
MORE THAN UP TO \$25,000 - \$100,000*	Invitational Competitive Procurement	Three (3) written quotes**
OVER \$100,000*	Open Competitive Procurement	Public Tender Process**

*All amounts are Canadian before taxes and include the aggregate 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.

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

PROCUREMENT METHODS

<p>BMO CORPORATE CARD</p>	<ul style="list-style-type: none"> The Bank of Montreal (BMO) card is a one-card system, used as both a purchasing card and travel card. \$2,500 CDN limit per transaction (shipping/taxes/customs included) Purchases of capital equipment not permitted Purchases of College Standard items not permitted algonquincollege.com/purchasing/bmo-college-credit-card-user-guide_august-2021/ <p><i>Includes insurance for lost baggage, missed flights, delayed flights.</i></p>				
<p>REQUISITION & PURCHASE ORDER</p>	<ul style="list-style-type: none"> Purchases of \$2,500 CDN or more Not for employee reimbursement All capital equipment purchases (individual items over \$5k CDN) must use this method 				
<p>SOLE/SINGLE SOURCING</p>	<ul style="list-style-type: none"> Certain goods or services may only be available from one source In these cases, a competitive bidding process may not be possible Limited Tendering Form (LTF) must be completed <p><i>This process is to be used on an exception-only basis.</i></p>				
<p>FINANCIAL APPROVALS</p>	<ul style="list-style-type: none"> College administrative staff, who hold a supervisory position, are the only staff who have authorization to approve invoices, and purchase requisitions for payment subject to the following limits: <table border="0"> <tr> <td>Managers, Chairs, Directors and Deans</td> <td>Up to \$25,000 CDN</td> </tr> <tr> <td>Vice-Presidents, President</td> <td>Within Budget</td> </tr> </table> <p><i>These approvals are handled automatically through Workday when purchasing requisitions are processed.</i></p>	Managers, Chairs, Directors and Deans	Up to \$25,000 CDN	Vice-Presidents, President	Within Budget
Managers, Chairs, Directors and Deans	Up to \$25,000 CDN				
Vice-Presidents, President	Within Budget				
<p>CONTRACT/ AGREEMENT SIGNATURES SIGNING AUTHORITY</p>	<ul style="list-style-type: none"> All major agreements and contracts that bind the College require a signature Contracts and documents requiring a signature may only be signed by either Duane McNair, Vice President Finance and Administration or Claude Bruilé, President and CEO 				