NAVIGATING PAYMENT OPTIONS AT THE UNIVERSITY
PCARD, TRAVEL & HOSPITALITY CARD, USOURCE AND OTHERS

Monthly Lunch & Learn Series presented by the **FAST Team**

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PRESENTER

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AGENDA

- Payment Options

- Important Dollar Value Thresholds

- uSOURCE

- Purchase Orders

- Purchasing Cards (PCards)

- Scotiabank Travel & Hospitality Visa Card

- Accounts Payable Invoices

LEARNING OBJECTIVE

Through our research and operations, the University purchases goods and/or services from a variety of suppliers.

Payments can either be made directly (i.e. via invoice), or indirectly (i.e. expense reimbursements) paid to suppliers.

The objective of the session is to navigate the different payment options that are available to financial administrators.

CONSIDERATIONS WHEN SELECTING PAYMENT METHOD

When paying suppliers, staff and departments should consider:

- maximizing the University's purchasing power when selecting vendors
- type of expense (e.g., reimbursements, radioisotopes, office supplies)
- dollar value threshold (i.e. Does the University's Procurement Policy apply?)
- take advantage of the University's Supplier Network (i.e. approved supplier)
- explore vendors within the Diverse Supplier's portal as part of the Social Procurement Program to engage businesses owned by underrepresented groups

PROCUREMENT POLICY

The University's Procurement Policy governs all purchases with suppliers and requires that purchasing decisions be conducted in an **open**, **fair**, **transparent**, **non-discriminatory**, **geographically neutral manner** and **accessible** manner.

Procurement Services defines requirements for competitive vs. non-competitive procurement, which includes a breakdown by dollar value threshold.

Visit the **Procurement Services website** to learn more.

COMPETITIVE PROCUREMENT THRESHOLDS (GOODS & NON-CONSULTING SERVICES)

Total Procurement Value before taxes	Means of Procurement	Competitive Process	Non-Competitive Process
Up to $9,999.99	**Informal** (1 Written Supplier Quote)	Budget Owner or Designate	Budget Owner or Designate
$10,000.00 to $49,999.99	**Invitational** (2 Written Supplier Quotes)	Budget Owner or Designate	One Level Higher than Budget Owner
$50,000.00 to $99,999.99	**Invitational** (3 Written Supplier Quotes)	Budget Owner or Designate	One Level Higher than Budget Owner
$100,000.00 and above	**Open Competitive**	Budget Owner or Designate	One Level Higher than Budget Owner

NON-COMPETITIVE PROCUREMENT (PROCUREMENT POLICY EXEMPTIONS)

In some circumstances, competition may not be possible. This may include situations where there is only one supplier in the market.

In these situations, if the total order exceeds $10,000 (before tax), departments are required to complete the Procurement Policy Exemption Justification form (PPEJ).

If the total order is over $50,000 (before tax), the PPEJ form should be attached to the Purchase Order or sent to purchasing.help@utoronto.ca for review.

ORDERS OVER $10,000 (BEFORE TAX)

Orders of goods or services over $10,000 (before tax), can either be purchased through:

- USOURCE
- Purchase Order

We are going to compare these two methods and discuss the benefits of using Approved Suppliers as well as discuss how utilizing approved suppliers can save your unit money through proper procurement planning.

Approved Suppliers are selected from open competitive procurement processes, whether led by U of T or by other collaborative entities. These suppliers offer commonly purchased goods and/or services.

Approved Suppliers offer competitive pricing, make the ordering and payment process more efficient, ensures compliance with the University's Procurement Policy and may eliminate the need to obtain additional quotes for orders under $100,000.

Visit the Procurement Services page to learn more.

USOURCE – THE UNIVERSITY'S ONLINE MARKETPLACE

With a catalogue of approved suppliers, and a user-friendly web interface, uSOURCE provides an accessible option for staff to purchase common items such as furniture, lab and office supplies, computers and software.

Benefits of uSOURCE:

- Can be used for orders at any dollar threshold (orders $100k+ may be subject to additional requirements contact Procurement Services for additional information in advance of placing the order)

- Offers competitive pricing and discounts

- Save time as a one-stop, streamlined shopping experience

- Expansive and growing catalogue (36 approved suppliers with a wide range of goods)

- User friendly platform

- Enables enhanced University reporting

PURCHASE ORDERS

Purchase Orders (PO) are AMS transactions that represent the contract between the University and a supplier for orders that exceed $10,000 (before tax) not ordered through uSOURCE.

POs are required for:

- Orders of goods/services equal to or greater than $10,000

- Leases

- Orders of radioactive material

NOTE: To process Purchase Orders, suppliers must be set up in FIS with a vendor account. If they do not have a vendor account, complete the "New Supplier Account" form, and send it to purchasing.help@utoronto.ca, with a copy of the supplier's quote/invoice.

PAYMENT OPTION FOR ORDERS UNDER $10,000

Let's explore how to pay for orders valued less than $10,000 (before tax), using the following methods:

- FIS – Accounts Payable Invoice
- Purchasing Card (PCard)

ACCOUNTS PAYABLE INVOICES

When purchasing goods or services valued under $10,000 (before tax) departments can also pay certified invoices through FIS using the Accounts Payable process.

Departments can place the order, receive the goods/services and pay the invoice.

The payment will be issued as a cheque, draft or EFT based on the payment method indicated in the Vendor Master Record. The University's standard payment terms are NET 35.

Click here for policy links and reference guides/simulations related to processing A/P invoices in FIS.

PURCHASING CARD (PCARD)
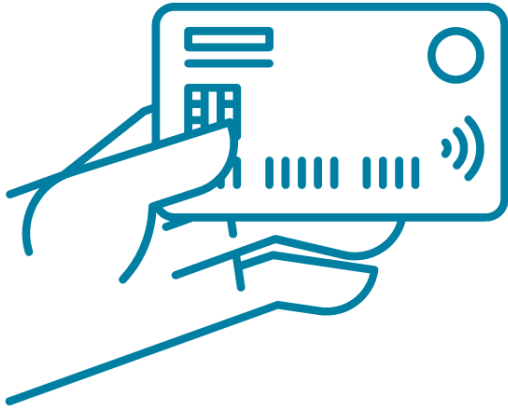
The Purchasing Card (Pcard) is a University authorized BMO MasterCard assigned to full-time faculty or staff responsible for the purchase of low value goods and services (i.e. up to $10,000).

Highlights:

- Convenience – suppliers are paid immediately
- Can be linked to a University Amazon Business account
- Automatically paid every month and billed directly to FIS accounts.
- It's the department's responsibility to ensure there are sufficient funds in the account associated with the PCard.

NOTE: Visit the Procurement Services website to learn more about how to request a PCard, administrative regulations, declined charges, Amazon Business and other related topics.

Procurement Services has several helpful articles covering common questions related to PCard.

Click here to learn more.

PCARD – SPEND THRESHOLDS

As a University authorized credit card program intended for business purposes, there are several spending thresholds and restrictions that must be considered.

	Maximum Thresholds
Single Transactions	$10,000
Monthly spend limit	$50,000
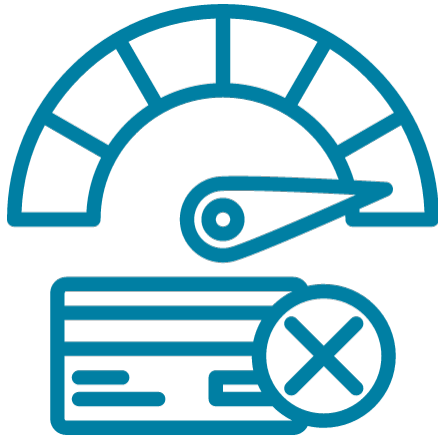
The PCard has **restrictions** in place that prevent travel expenses (e.g. airfare, hotel) from being charged since it cannot be used for expenses related to Travel & Hospitality.

Visit the PCard information page to learn more.

AMAZON BUSINESS

Simplify purchasing low value goods and access a vast electronic marketplace by setting up an [Amazon Business account](#) with your PCard.

Benefits include:

- Free 2-day shipping on Prime-eligible items
- Access to millions of products, available only to Amazon Business customers
- Dedicated Amazon Business Customer Service

Restrictions and considerations:

- For business-related purchases ONLY.
- ONLY the PCard can be used in the Amazon Business account.
- home deliveries are permitted (with approval from department head)
- should only be used to purchase products that are not available through uSOURCE or other Approved Supplier contracts.

[Click here to learn more](#).

PCARD – SPEND DYNAMICS

BMO Spend Dynamics is an online portal for departments to track account/card activity.

It can be used to locate:

- eStatements and card transactions

- current balance and available credit

- declined card transaction information

NOTE: BMO does not send paper account statements to cardholders/ departments.

Visit **Procurement Services' Spend Dynamics resource page** for detailed manuals.

PCARD POSTINGS TO FIS

Any expenses paid for with the PCard will be posted directly to FIS through an automated batch posting.

Unless otherwise specified on the PCARD application form, PCARD postings will be charged to the generic **825000** (Supplies: General) G/L account, with the exception of some Merchant Category Codes (MCC). If you have any questions related to the G/L that was used for a particular transaction, contact purchasing.help@utoronto.ca.

When reconciling PCard charges every month, departments may need to process Journal Entries to reallocate charges to the appropriate G/L account to ensure that the charges are accurately recorded.

SCOTIABANK VISA TRAVEL & HOSPITALITY CARD

The Scotiabank Visa Travel & Hospitality Card is the most cost-effective method of paying for appointed staff and faculty to pay for travel and hospitality expenses related to University business.

It is important to note that **all expenses are required to comply with the** Guide to Financial Management's (GTFM)- Travel & Other Reimbursable Expenses policy or overriding sponsor guidelines.

Highlights:

- Various travel related insurance/benefits

- **60-day** period from the statement date to pay outstanding balance

- Employees are not out of pocket when travelling on University business.

NOTE: This card is NOT a substitute for the PCard, and considered University property (i.e. should ONLY be used for University business).

For instructions on how to apply for the card, tracking expenses, changing or cancelling a card or billing inquiries visit Procurement Services' resource page.

COMPARISON OF UNIVERSITY AUTHORIZED CREDIT CARD PROGRAMS

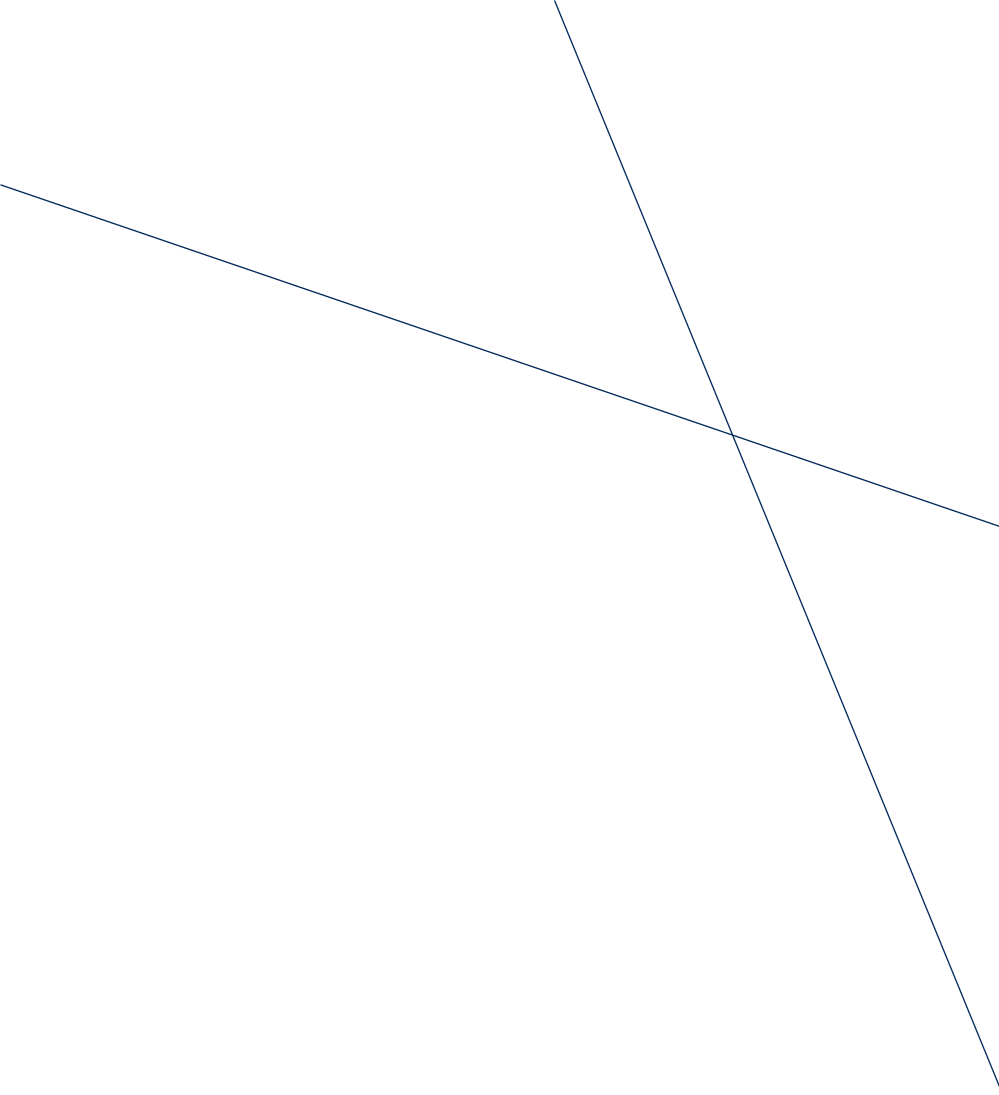|	Purchasing Card (PCard)	Travel and Hospitality Card (T&H Card)
Card provider	Bank of Montreal – MasterCard	Scotiabank – Visa
Use card for	The PCard provides a cost-efficient method of paying for low value goods and services, such as: • Office supplies • Lab supplies • Furniture • Courier fees • Subscriptions • Visa & Permit fees • Membership fees • Cell phone bills	The T&H Card is a cost-efficient method of financing University travel and hospitality related expenses, such as: • Airfare • Car rentals • Taxi fares • Hotel reservations • Restaurants • Venue rental deposits • Catering
Regulations and Guidelines	The PCard **should not be used** for purchases such as transportation, hotels, restaurants, hospitality services, personal use, cash advances, or ATM withdrawals. For more information, see PCard Administrative Regulations.	The T&H Card should only be used for University travel and hospitality related expenditures, and **should not be used** as a substitute for the PCard, for personal use, or the accounts payable process. For more information, see Guidelines for Travel and Other Reimbursable Expenses.
Payment and reconciliation process	The card balance is paid automatically from a departmental FIS account. Cardholders must provide receipts for each purchase to the Department Card Coordinator (DCC) on a monthly basis for reconciliation purposes. For more information, see Cardholder Roles and Responsibilities.	Cardholders make payments to Scotiabank directly using CentreSuite, or their personal online banking, and submit an expense reimbursement claim (including all receipts). For more information, see How to Claim an Expense Reimbursement.

WHO DO I CONTACT?

FAST Team
For question regarding **processing Purchase Orders and invoices in AMS, please contact your FAST Team representative.**

Procurement Services
For questions about:
- PCard
- Scotiabank Visa Travel & Hospitality Card
- uSOURCE
- Approved Suppliers

email purchasing.help@utoronto.ca or uSOURCE@utoronto.ca.

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THANK YOU!