**Introduction to Finance at McGill for Academic Administrators**

### Topics

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Advances & Expense Reports
The Trip Process [ADV&EXR]

STEP 1 – Plan your trip
✓ Estimate how much the trip will cost (transportation, meals, lodging, associated conference costs etc.)
✓ Obtain the necessary permission(s) to travel
✓ Will you be claiming per diem rates for meals? If not, you will need to collect all of your meal receipts.

STEP 2 – Plan your payments and if needed submit an advance request
✓ Do you want the University to issue payments directly to Suppliers for some of the expenses such as transportation, lodging, conference registration? If yes, request an advance through Minerva as a Third party pre-payment.
✓ Will you need to pay for some expenses (out-of-your own pocket) prior to leaving? Do you need a cash advance to cover expenses which you will incur while on the trip? If yes, request an advance through Minerva.

STEP 3 – Take the trip
✓ Collect receipts & all documents needed to demonstrate expenses incurred and proof of payments (if the receipt does not show a zero balance, include the credit card slip)

STEP 4 – Upon return from your trip, submit an expense report and clear advances
✓ Claim your expenses and reconcile any advances issued to yourself or to Suppliers by submitting a single expense report through Minerva (Employee or Finance Menu).
Submitting Requests

STEP 1
Submit an expense report or advance request in Minerva
(Employee or Finance Menu)

STEP 2
Print and attach receipts/documentation

STEP 3
Acquire required signatures

STEP 4
Send signed paper copy for approval

STEP 5 – Central Travel Desk receives paper copy

Once approved, payment/reimbursement is issued*

*Processing time is approximately 2 working days for FST-approved requests, and 10 working days for all other requests (if no errors)

STEP 1 – Submit a request for an advance or expense reimbursement in Minerva
Minerva > Finance or Employee > Advances and Expense Report menu

STEP 2 – Print the advance or expense report and attach receipts
✓ Attach all receipts (attach copies only for advances) & any other documents needed to demonstrate expenses incurred and proof of payments.

STEP 3 – Acquire required signatures
✓ Claimant
✓ Fund Financial Manager (FFM) or Principal Investigator (PI) of each fund charged
✓ If the Fund Financial Manager or Principal Investigator is the Claimant, signature of their ‘One-up’ is mandatory

STEP 4 – Send the signed paper copy and all receipts/documentation for approval
✓ Send everything to the address indicated on the top left-hand-corner of the printed advance or expense report
✓ If you have a local FST in place, they will send the signed paper copy and all receipts to the Central Travel Desk for final processing

STEP 5 – Central Travel Desk receives paper copy
✓ Once the Central Travel Desk receives the signed paper copy of the advance or expense report and all related documentation, they will process it for payment

*Processing time is approximately 2 working days for FST-approved requests, and 10 working days for all other requests (if no errors)
Policies and Guidelines

All advance requests and requests for expense reimbursement must comply with the Reimbursement of Travel and Other Expenses Policy available on the Financial Services website.

The policy is always considered the authoritative source of information. However, Granting Agency guidelines supersede those of the University.

**Note: Advances may be issued to:**
✓ McGill Academic Staff or Administrative and Support Staff
✓ McGill Students
✓ Third parties - prepayments made by the University, on behalf of the Claimant

Cash or Out of Pocket advances will not be issued to Visitors. They may only claim reimbursement after the trip has occurred.

Definitions of terms

Accountable advance = Provision of funds obtained for expenses expected to be incurred or already incurred prior to a trip.

Expense reimbursement/report = Request for reimbursement of incurred expenses relating to University activities.

Third party pre-payment = prepayments made by the University, on behalf of the Claimant directly to agencies, hotels, or for conference registration. Payment will come out of the fund directly.

Claimant = The individual who is out-of-pocket for University business expenses and is now seeking reimbursement (typically the traveller).

Fund Financial Manager (FFM) or Principal Investigator (PI) = The academic staff or administrative and support staff member responsible and accountable for the financial operations encompassed by a McGill fund. This individual signs off on all advances and expense reports charged to their funds and is ultimately responsible and accountable for the expense(s) charged on the request.

Financial Services Team (FST) = Local resource designed to provide service and support to researchers. FST Members:
• Review, correct and electronically approve all advances and expense reports.
• Ensure both University Reimbursement of Travel and Other Expenses policy and Granting Agency guidelines are adhered to.
• Key contact point for any questions.

One-Up = When the Fund Financial Manager or Principal Investigator, is also the Claimant on an advance or expense report, their ‘one-up’ must sign the request. In the case of an FFM or Principal Investigator, this would be the department chairperson. In the case of the chairperson, this would be the Faculty Dean.

Reimbursement of Travel and Other Expenses Policy
http://www.mcgill.ca/financialservices/policies/reimburse

Travel Services (Procurement Services)
http://www.mcgill.ca/travelservices/
## Payment Methods (non-travel)

The University has 3 main payment methods for goods/services:

<table>
<thead>
<tr>
<th>Description</th>
<th>PR</th>
<th>PCard</th>
<th>Pay. Req.</th>
<th>EXR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-time purchases</strong> for non-travel related Goods &amp; Services</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>☑️</td>
</tr>
<tr>
<td>Consult the Paying One-Time Suppliers decision grid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Purchase of non-travel related Goods &amp; Services with a value less than $2,500</strong></td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>☑️</td>
</tr>
<tr>
<td>Consult the Paying for Goods &amp; Services decision grid</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Purchase of non-travel related Goods &amp; Services with a value over $2500</strong></td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>☑️</td>
</tr>
<tr>
<td><strong>Payment to Public Institutions</strong> (hospitals, universities, granting agencies, government) and <strong>Student Societies</strong></td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>☑️</td>
</tr>
<tr>
<td><strong>Research and development expenses for collaborating external partner</strong></td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>☑️</td>
</tr>
<tr>
<td>Consult the Subaward Agreements information sheet</td>
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</tbody>
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## Procurement & Payment Methods

<table>
<thead>
<tr>
<th>Description</th>
<th>PR</th>
<th>PCard</th>
<th>Pay. Req.</th>
<th>EXR</th>
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</thead>
<tbody>
<tr>
<td>Payment of <strong>membership dues to Public Institutions</strong></td>
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<tr>
<td>Consult the Paying Memberships to Universities decision grid</td>
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<td></td>
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<tr>
<td><strong>Payment of membership dues to Non-Public Institutions</strong></td>
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</tr>
<tr>
<td>Consult the Paying Memberships to Associations/Organizations decision grid</td>
<td></td>
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<tr>
<td>Payments made on behalf of <strong>Trust Funds</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Non-invoice</strong> payments – subject fee, living allowances, guest lecturer and speaker remuneration, refunds, monthly taxes or premiums to government or insurance offices</td>
<td></td>
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<td></td>
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<tr>
<td><strong>Travel</strong> related expenses (Conference registration, transportations, meals, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Scholarships / Awards / Bursaries / Prizes / Stipends</strong> – payments are processed through Banner Student Aid (BSA)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Payment Methods (non-travel)

The University has 3 main payment methods for goods/services:

1. **Purchase Requisitions:**
   In order to receive goods and/or services, Faculty and Staff at McGill must issue a purchase requisition in McGill MarketPlace (MMP) describing the required goods and/or services, the quantity, the unit price and delivery requirements.
   - MMP contains McGill's contracted and preferred Suppliers.
   - Contracted Suppliers must be used.

2. **Procurement Card (PCard):**
   Best used for one-time purchases in person or online, subscriptions, and for Suppliers who do not accept purchase orders.

3. **Payment Request:**
   Used to generate a payment for which no other process (Purchase Requisition, Procurement Card, Payroll, Expense Reimbursement) is appropriate.

Browse > Purchases & Payments > MMP folder
Article 4033 – MMP Roles & Responsibilities

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Purchase Requisitions

Order is submitted in the McGill MarketPlace (MMP) (Minerva) by a Requestor—a requisition is created

Approval by the FFM/PI or their Delegate is electronically recorded in Minerva & then sent for Central approval (if needed)

Procurement Services electronically issues a purchase order to the Supplier and the Requestor (by email)

Supplier provides the goods/services and sends an invoice for payment to Accounts Payable

Accounts Payable processes the invoice and schedules a payment date (30 days)
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   Best used for one-time purchases in person or online, subscriptions, and for Suppliers who do not accept purchase orders.

3. **Payment Request:**
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Browse > Purchases & Payments folder
Article 4111

Definitions of terms:
- **PCard (McGill University Procurement Card)** = A University selected credit card assigned to cardholders to allow the purchase of goods and services up to specified amounts for business purposes.
- **Procurement Card (PCard)**
- **Departmental PCard Reconciler** = Individual who has been given the authority (by the Cardholder) to reconcile transactions in MOPS on their behalf.
Payment Methods (non-travel)

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Browse > Purchases & Payments folder
Article 4111

Payment Request

Form is downloaded from the Financial Services website, completed and printed

- Approval by the FFM/PI or their Delegate is recorded via wet signature on the completed form
- Signed form is sent to Accounts Payable (Financial Services) at 3465 Durocher

Definitions of terms:
- **FFM/PI** = Fund Financial Manager/Principal Investigator: The faculty or staff member responsible and accountable for the financial operations encompassed by a McGill fund.
- **Fund Administrator** = The person in the Financial Services Department responsible for the administration of a fund

Approval of the Fund Administrator of the fund charged is recorded via wet signature on the completed form

Accounts Payable processes the payment request in Banner and schedules a payment date
By default, Fund Financial Managers (FFMs) or Principal Investigators (PIs) are considered approvers for any transactions posted to their fund or grant. When warranted, FFMs/PIs may delegate this approval.

### Definitions of terms:
**Approver** - The individual deemed to intercept, review and approve transactions originated by others and charged to funds within their jurisdiction.

<table>
<thead>
<tr>
<th>Type of financial transaction</th>
<th>Is FFM/PI approval required (local approval)?</th>
<th>May the FFM/PI delegate approval (local approval)?</th>
</tr>
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<tbody>
<tr>
<td>Purchase Requisitions</td>
<td>electronic approval</td>
<td>Up to $10,000</td>
</tr>
<tr>
<td>Invoices in the amount of $10,000 or higher</td>
<td>wet signature</td>
<td>For all funds except research grants and contracts</td>
</tr>
<tr>
<td>Reconciled PCard transactions</td>
<td>electronic approval</td>
<td></td>
</tr>
<tr>
<td>Payment Requests</td>
<td>wet signature</td>
<td>Some restrictions apply</td>
</tr>
<tr>
<td>Requests for Advances and Expense Reimbursements</td>
<td>wet signature</td>
<td>Some restrictions apply</td>
</tr>
</tbody>
</table>


Browse > Purchases & Payments folder
Article 6124
Delegation cont’d

The associated forms/Minerva menu option which should be used to delegate approval authority are:

1. Delegate Temporary Signing Authority for travel advances, expense reports, payment requests, and POPS Timesheets
   - Minerva menu option (Employee or Finance menu)
   - Certain exceptions apply for research grants

2. Delegate Approvals of Purchase Requisitions and PCard Transactions
   - Minerva menu option (Finance menu)
   - May delegate up to $10,000

3. Naming a Delegate in an Acting Capacity as Unit Head during temporary absences
   - Available on the Financial Services website Forms page

Definitions of terms:
Delegate = The person(s) to whom permanent or temporary proxy is specified by the Fund Financial Manager to perform local approvals up to a certain delegation threshold (maximum dollar value) • An administrative or support staff member involved in the ongoing financial management of their fund(s) with the skill and knowledge necessary for the effective exercise of the authority.

Naming a Delegate in an Acting Capacity as Unit Head during temporary absences

Used to delegate:

Signing authority during a temporary absence for:

1. Advances and Expense Reports and Payment Requests as the FFM on a non-research grant (The form should only be submitted if this was not delegated in Minerva.)
2. Advances and Expense Reports as the One-Up

Definitions of terms:
One-Up = If the claimant of an advance request or expense reimbursement is the Fund Financial Manager/Principal Investigator of the fund being charged, their direct superior (One-Up) must sign.

Financial Services website > Forms
http://www.mcgill.ca/financialservices/forms/delegateunithead
Monthly Financial Statements

Monthly financial statements for the previous month are normally available by the seventh working day of any given month.

- When financial statements are ready, users receive an email with the subject line "McGill Financial Statements - Month of XX 20XX"
- This email contains a direct link to the Financial Statements menu option in Minerva.

Generally the following elements appear in financial statements:
- Account codes
- Transaction Date
- Description
- Document Number
- Invoice Number
- Budgets
- Actuals
- Commitments
- Available Balance/Free Balance/Spending Power

Consult our Knowledge Base – http://kb.mcgill.ca/fskb
Article 3994

Definitions of terms:

Actuals = Expenses which have been charged (money spent) or revenues which have been received (deposited)

Commitments = Encumbrances + Reservations: Money set aside for future financial obligations - typically generated by purchase orders and appointment forms (not including casual pay). Commits unspent balances due to a firm obligation for future payment.

Consult our Knowledge Base – http://kb.mcgill.ca/fskb
Article 3994
Account Codes

Account codes starting with the following numbers are common to see:

- **5xxxxx** = Revenue
- **6xxxxx** = Salary expenditures which include:
  - Salaries and benefits
  - BSA (Banner Student Aid) payments
  - POPS payments
- **7xxxxx** = Non-salary expenditures which include:
  - Transactions related to McGill MarketPlace (MMP) orders
  - Advances and Expense Reports
  - PCard charges
  - Payment Requests
  - Inter-departmental charges (IDC)
- **8xxxxx** = Transfers between Units / Departments

Definitions of terms:
- **Account Code** = Describes the nature of the expenditures or revenue
- **POPS** = Payroll Onetime/Appointment Payment System: Used to quickly create and submit electronic payroll requisitions that allowed you to pay casual staff and the handling of overtime / under-time adjustments
- **Inter-departmental charge (IDC)** = Charges for goods and/or services rendered by one internal unit to another internal unit

Reviewing Free Balances

It is important to review the free balances of all funds/grants you are responsible for on a monthly basis to reduce any risk of over-expenditure.

Suggested Minerva Financial Statement:

**Summary of Free Balances by User Security (FZRG0055)**

Lists all funds and grants you may view based on your access. Each fund is represented by a single summary line which includes the following information:

- If a fund is linked to a grant
- Fund code and title
- Name of the Fund Financial Manager (FFM) or Principal Investigator (PI)
- Name and phone number of the Fund Administrator
- Budget, Actuals, Commitments (encumbrances) and the Available balance of the fund or grant for the selected month

Definitions of terms:
- **Free Balance = Budget - (Actual + Commitments)** for account codes starting with 6 (salaries), 7 (non-salary expenditures), and 8 (inter-fund transfers).

**Note**: An available balance with a negative “-” sign in front of it means over expenditure of that fund.
Reviewing Transactions by Fund

Suggested Minerva Financial Statement:

Monthly Fund Details (FZRG0021)
Displays all transactions posted to a FUND to the 5 (revenue), 6 (salaries), 7 (non-salary expenditures), and 8 (inter-fund transfers) account codes for the selected month.

- Listed transactions are grouped by Account codes.
- Includes prior month balance forwards, actuals, commitments (encumbrances) and available balances for each account code.
- A Total with a negative “−” sign in front of it means over expenditure of that account, but, as long as the free balance (indicated on the last page) is a positive number, there is money available.
- Tax rebates for transactions posted to 7 (non-salary expenditures) account codes are indicated (if applicable).
- The last page includes the total budget, actuals, commitments (encumbrances) and the free balance (available balance) of the fund valid as of the end of the selected month.

Note: Use Monthly Grant Details (FZRG0049) to review transactions posted to funds linked to grants.

Definitions of terms:
Tax rebates = Taxes paid on all University expenses are generally recoverable in whole or in part. For purchases that support exempt activities (e.g., teaching), the University is entitled to 67% rebate of GST as well as HST (of the federal portion) paid and 47% of QST paid.

Low Risk Transactions

Low Risk transactions to be spot checked:
✓ Travel Advances and Expense Reports
✓ Payment Requests
✓ Purchase Requisitions & Purchase Orders
✓ PCard

Why are these transactions considered low risk?
- There is a formal process in place to record the approval of the FFM/PI or their Delegate before posting to the ledger
- Simply ensure you recognize the transactions by reviewing the description and amount charged

Note: Transactions processed in other currencies will show on the Financial Statements in the Canadian dollar equivalent.
High Risk Transactions

High Risk transactions to be thoroughly reviewed:

✔ Payroll
  • Approvals differ by document type and by Unit/Faculty
  • Look for significant differences in people’s pay from one month to the next
  • Review the names on payroll statements to ensure that these people are real and familiar to you

✔ JE16
  • Review these journal entries to ensure you recognize and approve these inter-fund transfers

✔ Feeds
  • Review your fund/grant statement to ensure the amount charged is approximately the same from one month to the next

Definitions of terms:

| JE16 | Journal document processed in Banner to make an inter-fund transfer. Used to reallocate financial resources amongst McGill funds OR to ensure expenditures are recorded within the correct funds |
| Feeds | Electronic files transmitted to Financial Services containing large lists of transactions to be posted to FOAPALL. Typically used by service centers with large transaction volumes every month |

Web Resources
Financial Services Website

http://www.mcgill.ca/financialservices

Financial Policies /Regulations
✓ Fund Financial Manager
✓ Guest Lecturer and Speaker Remuneration
✓ Reimbursement of Travel and Other Expenses Policy
✓ Guidelines for local Hospitality and Entertainment
✓ PCard Regulation
✓ Supporting Documentation and Retention

Reporting
✓ Web Report Templates

For Researchers
✓ FST Teams listing
✓ Viewing Fund/Grant Balances & Transactions

Travel
✓ Procedures
✓ How To’s for Minerva
✓ Frequently Asked Questions & Getting Help

Contact Us

Financial Services Knowledge Base

http://kb.mcgill.ca/fskb

Search by keyword or article number – some suggestions:
✓ Article 5554 - Hosting a Conference/Seminar/Event at McGill
✓ Article 6139 - Sales Tax and Paying for Goods and Services (for Researchers)
✓ Article 4016 – How to Sponsor a Requestor (MMP)
✓ Article 3856 – General Information about invoicing via Accounts Receivable (A/R)

Browse folders – some suggestions:
✓ Purchases & Payments
### Minerva > Finance (Fund) Administration Menu

**To do this** | **Use...**
--- | ---
Query for up-to-the-minute fund balances, entering only the Fund code. | **Budget Query for Fund holders**
Same purpose as the above, but with more flexibility in search criteria. Includes revenue account codes. | **Budget Query**
View monthly financial statements, including transactions and balances. | **Financial Statements**
View a complete listing of fund, organization, account, program, activity, and location codes. | **Public FOAPAL Hierarchy Reports**
Go shopping at the McGill MarketPlace (MMP); manage your profiles. | **McGill MarketPlace Entrance**
Sponsor a user to procure in MMP; delegate responsibility to approve purchase requisitions and reconciled PCard transactions. | **Procurement Administration Menu**
View information from selected documents including requisitions, POs, invoices, invoice document images, journals, encumbrances, direct cash receipts. | **View Document**

### Minerva > Finance (Fund) Administration Menu

**To do this** | **Use...**
--- | ---
Approve/disapprove documents; view approval status, revoke your documents. | **Approve Documents**
Access the McGill Online PCard Service to reconcile and approve PCard transactions, view approval history, generate reports, and perform related administrative functions. | **PCard – MOPS Menu**
Create or continue an accountable advance; Create or continue an expense reimbursement; View requests or outstanding advances. | **Advances and Expense Reports Menu**
View opening budget reports for 1A and 1B (Operating) Funds. | **Budget Reports for 1A and 1B Funds**
Manage uPrint Charges - Query charges by Fund; View users assigned by Fund; Assign and update FOAPALs for users and Assign or update FOAPALs to Resource Accounts. | **uPrint - Campus Printing Menu**

Browse > Training & Support folder
Article 4109
Questions

Consult our Contact Us page

http://www.mcgill.ca/financialservices/who-we-are/contact

OR

Contact the Finance Help Desk

• 514-398-3463
• fishelp.acct@mcgill.ca