# Table of Contents

Background ..................................................................................................................... 3
Apply for a Card .............................................................................................................. 3
  Application completion................................................................................................. 3
  Application review...................................................................................................... 4
  Card setup ................................................................................................................... 4
  Training ....................................................................................................................... 5
Suggested Uses .............................................................................................................. 5
  Suggested purchases ................................................................................................. 5
    Preferred vendors .................................................................................................... 5
    Research purchases ................................................................................................. 6
    Foreign currency ...................................................................................................... 6
Ordering and receipt of goods ......................................................................................... 6
  Goods ordered internationally .................................................................................... 7
  Ordering on the internet ............................................................................................. 7
Goods returns ............................................................................................................... 8
Disputed items ............................................................................................................. 8
Restrictions ..................................................................................................................... 8
  Security ...................................................................................................................... 8
  Credit limits ............................................................................................................... 9
Restricted purchases ................................................................................................... 9
    Merchant categories ............................................................................................... 10
    Alternatives when a P-Card cannot be used ......................................................... 10
Misuse ......................................................................................................................... 11
Reconcile Transactions ............................................................................................... 11
  Logging on to the system ......................................................................................... 11
  Transaction view ....................................................................................................... 12
Editing transactions .................................................................................................... 14
  End use and tax codes ............................................................................................. 14
  Splitting transactions ............................................................................................... 15
Account management .................................................................................................. 16
Cardholder statement of account ............................................................................... 16
**Background**

The University of Waterloo (the “University”) Purchasing Card (“P-Card”) is to be used for low dollar business purchases. The benefits of using the Purchasing Card for these types of purchases are:

- Reduced turnaround time for acquiring goods
- Reduced payment time to suppliers, possibly resulting in lower costs
- Reduced personal reimbursements/out of pocket expenses
- Increased flexibility for user to order via phone, fax, internet or in person
- Increased assistance with account management

The Purchasing Card is for use by the authorized Cardholder. It is a University credit card and will not affect the Cardholder’s personal credit.

**Apply for a Card**

**Application completion**

Full time and regular part-time employees may apply for a purchasing card. Under certain conditions, employees under a temporary employment contract (i.e. minimum of 1 year) may apply for a purchasing card.

All prospective cardholders must complete an application form and submit it to Finance before a card is issued. Applicants can obtain the Purchasing Card Application form from the [Purchasing Card page](#) of the Finance website. The application form requires the following information:

- Applicant information (name, employee number, department)
- Date of significance (MMYY) for card activation purposes
- Reviewer information (name, position)
- Default Accounting Flexfield (AFF) where most purchases will be expensed (can be changed for individual transactions before the 25th of the month)
- Any additional organizational units to which the Cardholder will require access

The form must be signed by:

- The applicant to indicate he/she agrees to use the P-Card in accordance with the approved policies, procedures and guidelines and acknowledges responsibility for reconciling all transactions charged on a monthly basis
- The Chair(s)/Dean(s) associated with the Organizational Unit(s) being assigned as default to indicate he/she authorizes the applicant to use the P-Card
- The reviewer to indicate he/she acknowledges his/her responsibility for reviewing the transactions and activity of the applicants P-Card using one of the approved methods
- The Financial Officer (FO)/ Executive Officer (EO) to indicate he/she has performed the final check to ensure the form is appropriately completed, the
potential cardholder has valid business purpose for requesting a card, and the
default AFF (including those assigned to Research) is reasonable (required for
Faculties only).

The application form must then be sent to the Purchasing Card Administrator.

**Application review**
The Purchasing Card Administrator reviews the completed application form. This review includes:

- Determining the applicant’s employment status and ensuring he/she is a full-time employee
- Obtaining rationale and separate Finance approval if the applicant is a casual or temporary employee
- Ensuring complete and correct departmental information
- Ensuring that the default Accounting Flexfield (AFF) is a valid combination of segment values
- Ensuring that there is a valid date of significance for activation purposes
- Ensuring that if additional organizational units are requested, that they are valid, approved by the associated department, and the applicant is related to the org unit(s) specified
- Ensuring the applicant has obtained the appropriate approval signatures. The applicant must sign the application as well as the department Head/Chair/Dean (and the Financial Officer or Executive Officer for Faculties)
- Ensuring that any “reviewer information” noted on the form is complete and appropriate
- Ensuring overall completeness of the form

Once all of the required checks are performed, the Purchasing Card Administrator then obtains final approval from the Director of Finance. The application form is retained in a permanent file in Finance.

The Purchasing Card Administrator will submit the request to Scotiabank and normally, Scotiabank issues the card within 5-7 working days.

**Card setup**
The Purchasing Card Administrator receives the card directly from Scotiabank and reviews the cardholder account information in the P-Card system:

- Biographical information (name, department, email, etc.)
- Default AFF assigned
- Default and additional org units assigned

The P-Card Administrator also:

- Sets up the card in the appropriate departmental hierarchy
- Assigns the reviewer with access to the relevant departmental hierarchy
- Adds the Cardholder and reviewer to P-Card distribution list for notifications
- Prepares 2 copies of a cardholder release form to be signed with a copy sent back to the Purchasing Card Administrator
- Updates the Cardholder tracking spreadsheet

The card, release forms and instructions to activate the card, set pin number and login instructions are sent in a confidential envelope to the Cardholder. The Cardholder must acknowledge receipt of his/her card by returning one signed copy of the enclosed acknowledgement to the Purchasing Card Administrator.

Cardholders will need to activate their Purchasing Cards prior to using them.

**Training**

Applicants or new P-Card holders should review P-Card reference material and attend a [P-Card training](#) session provided by the Finance department before using their card to ensure he/she is fully aware of the functionality and restrictions.

**Suggested Uses**

The P-Card is the University’s preferred method of ordering and paying for low-dollar value, eligible purchases. Individual faculty and employees as well as departments themselves are encouraged to re-consider business processes and use the P-Card for as many purchases as possible. The Cardholder is responsible for all uses of his/her card, including reviewing their transactions each month and reconciling their charges to the correct AFF.

**Suggested purchases**

The P-Card may be used to purchase goods over the phone or internet, via fax, by mail, or in person at the supplier site. The P-Card can be used for purchases such as:

- Computer equipment or related items (e.g. software, keyboards, monitors)
- Event supplies (e.g. certain catering, food and supplies from grocery stores, decorations)
- Kitchen materials (e.g. cream, bottled water, dishwashing soap)
- Lab items (e.g. chemicals, test tubes, industrial gases not classified as controlled substances)
- Office supplies (e.g. paper, printer toner, pens)
- Professional development (e.g. conference fees, books, subscriptions)
- Promotional expenses (e.g. advertising, printed material, surveys)

**Preferred vendors**

Find the University’s list of [preferred vendors](#) accepting P-Card on the Purchasing Card section of the Finance website. This list is not exhaustive as the P-Card can be used worldwide at any merchant that accepts Visa, providing the purchase is eligible under the program.

The list details the University’s preferred vendors that accept P-Card. Some of the vendors listed may already have negotiated special pricing with the University. In the
method of ordering column, there may be additional instructions to obtain this pricing – the Cardholder may need to contact a specific individual, register online, or provide a customer account number assigned to the University.

**Research purchases**
Purchases on research accounts (Fund 105) can be made using a P-Card. If the principal investigator (PI) or an authorized delegate of the PI is not the Cardholder, then the Cardholder should obtain written pre-authorization from the PI/delegate to purchase the item and charge the research account. Typically, the written authorization is in the form of an email. The written authorization is attached to the P-Card statement along with the original invoice/receipt for audit purposes.

**Foreign currency**
Purchases in a foreign currency are also encouraged as the purchase can be completed easily. For example, an online conference registration can be completed and paid at the same time. By paying a conference registration by P-Card, the conference host receives payment immediately rather than waiting for a wire payment.

**Ordering and receipt of goods**
When a Cardholder wishes to order goods using a P-Card, he/she should identify him/herself as a University employee and indicate that a Purchasing Card will be used to receive the benefit of any negotiated University pricing. The Cardholder must inform the supplier that they should include the Visa documentation with the package or via email to the Cardholder. Suppliers are to send their invoice to the Cardholder so that he/she can reconcile their P-Card statement for the month. The supplier should not send an invoice to Accounts Payable so that the risk of duplicate payment can be avoided.

The Cardholder is responsible for informing the supplier that electrical goods must be approved for use in Ontario. If the goods are not specifically approved for use in Ontario, the Cardholder will need to contact Procurement and Contract Services for assistance in obtaining electrical standards approval once goods arrive on campus.

The Cardholder must confirm the total price of the goods ordered, including shipping and handling, and any other fees and ensure the total does not exceed his/her single-purchase limit.

Goods should be shipped “Prepaid and charge”.

Shipments of goods ordered should be delivered to:
University of Waterloo
Central Stores, Purchasing Card
200 University Ave. West
[Name, Department, Building, Room #]
Waterloo, ON
Canada
N2L 3G1
Goods ordered internationally
When the Cardholder is calculating the total price of the goods to ensure he/she is within their single purchase limit, exchange, shipping, brokerage and handling should be included.

The Cardholder will need to inform the supplier that:
- They must fax an invoice addressed to the University’s Customs Specialist at 1-519-746-4072
- Customs clearance must be provided by Thompson Ahern only
- They must send a NAFTA (North American Free Trade Agreement) certificate if applicable
- Electrical goods must be approved for use in Ontario.

If shipping or brokerage charges are not properly incurred, they will be expensed to the Cardholder’s default account as it appears in the Purchasing Card agreement.

Ordering on the internet
Cardholders must understand that there are inherent risks in making purchases from online auction websites, such as eBay/Dovebid etc. Goods may not be as indicated and/or may not arrive at all.

In order to maximize internet security, the following practices must be adapted. They are taken from the Treasury Board of Canada Directive on Acquisition Cards, October 1, 2009.

Cardholders should only purchase goods and services over an internet connection that relies on security protections such as Secure Socket Layer (SSL). When SSL is activated, a "locked padlock" icon appears on the browser. Do not transmit the P-Card number unless the "locked padlock" icon appears on the browser. Click the "locked padlock" to verify the identity of the site to which the browser is connected. SSL connections encrypt the information moving between the browser and the merchant’s electronic commerce system, which ensures that personal and credit card information is shielded from prying eyes. When using a secure connection (SSL), the Web site address usually will have "https" in the address instead of the usual "http." Web sites may allow individuals to add items to a shopping cart using an unencrypted (http) connection, only switching to an encrypted (https) connection when the individual is checking out and providing payment information. This is not uncommon, and does not affect the security of the transaction as long as Cardholders ensure that payment details are transmitted over a secure, encrypted connection.

Cardholders should research the retailer online and do not purchase from unknown firms or from unsolicited offers. Some key features such as an email address, postal address (not a PO Box) and telephone number will facilitate communications with suppliers should it be necessary to do so. The seller should have policies that will describe how the company will protect customer privacy, how well they disclose sales terms, the warranty of the products being purchased, and the exchange and/or reimbursement policies and how they handle customer complaints.
Cardholders should print or save the on-line order forms for future reference. These on-line order forms, once filled in, can be time-sensitive and may not be accessible in the computer’s browser once navigated to a different page.

**Goods returns**

The Cardholder must contact the supplier for a return materials authorization number (RMA). Goods must be sent back to the supplier using the University’s web based shipping system (Agile).

The refund from the supplier must be credited back to the same P-Card that was charged for the original purchase.

**Disputed items**

Problems with suppliers relating to unsatisfactory goods, late delivery, incorrect deliveries, incorrect charges from quoted prices, and all other issues directly caused by the supplier should be addressed directly with the supplier. The vast majority of disputes can be resolved this way.

If the dispute is not resolved after contacting the supplier directly, Cardholders will need to complete the Purchasing Card Dispute Form. Once complete, this form can be forwarded to the P-Card Administrator who will then discuss the issue with Scotiabank. The Cardholder will be contacted with the outcome of the dispute.

**Restrictions**

A summary of Policy 17 on Quotations and Tenders can be found on the Procurement website. When making a business purchase, this chart may be useful.

The P-Card is not transferable and cannot be delegated - it is not to be used by any other University staff, family member or any other individual. The Cardholder’s Department (or reviewer) is responsible for notifying the P-Card Administrator when an employee leaves the University so that the card can be deactivated in a timely manner.

Cards are renewed every three (3) years. Usages will be reviewed at that time and cards may not be renewed based on non-usage.

**Security**

Only the authorized Cardholder may use the P-Card.

Cardholders must have a signed agreement on file with the Purchasing Card Administrator. Departments should retain a copy of the signed agreement for each Cardholder.

Cards and card numbers must be safeguarded against use by unauthorized individuals in the same manner someone would secure their personal credit card.
Credit limits

Each P-Card is set up with both individual and monthly transaction limits. The standard individual transaction limit is $3,000 CAD for a single order (which includes tax, freight and currency exchange). The standard monthly card limit is $10,000 CAD. If the standard limit is not sufficient for the purchasing needs of the Cardholder, a written explanation must be provided to the P-Card Administrator for review and approval.

Any splitting of transactions (i.e. asking the supplier to create 2 invoices for one order) to bypass these limits is strictly prohibited.

Restricted purchases

The P-Card is not to be used to purchase any items from the list below, even if they are related to University of Waterloo business. The P-Card may be refused or declined by the merchant if this type of purchase is attempted. There are compliance issues relating to many of these items. These restrictions are as follows.

- Alcoholic Beverages - Policy 21 prohibits the use of the P-Card for alcohol purchases.
  - Please make arrangements with University Catering if the department is hosting an event on campus where alcohol will be served.
  - Off-campus University events where alcoholic beverages will be served must be held in a licensed premise or be catered by University Catering.
- Ammunitions/Weapons
- Animals used for research and testing
- Capital equipment purchases (over $5,000 CAD) - The purchase of capital assets must follow University Policy 74.
- Cash advances - A personal identification number (PIN) will not be issued for ATM machines
- Cell phones, Blackberry and other similar devices
- Consulting fees/individual contractors – Procurement and Contract Services, under the guidance of Policy 17, mandates obtaining 3 competitive quotes for all consulting services.
- Donations (exception: memorial donations)
- Extended equipment rentals and maintenance contracts
- Gas – see Travel
- Hotel – see Travel
- Household moving expenses
- Maintenance and fuel for use of University vehicles
- Office furniture (i.e. task chairs, desks)
- On-Campus businesses and inter-departmental purchases (i.e. Retail Services) - Instead of a P-Card, please provide the relevant 31-digit departmental expense account. HST is charged on a P-Card purchase, however, it is not charged on internal transactions, which is a cost savings to the department.
- Parking – see Travel
- Personal items
- Prescription Drugs described in the Food and Drug Act
• Purchases to be reimbursed under Faculty Professional Expense Reimbursement Plan
• Radioactive/Hazardous Materials & Controlled Substances
• Restaurants (meals) - Business related meals are a reimbursable expense and should be claimed on a Request for Payment form or a Travel Advance and Settlement Claim form when travelling.
• Salaries and wages, including temporary help.
• Travel/Accommodations/Transportation (expenses normally claimed on a travel claim) - Expenses include parking, fuel purchases, airline tickets and hotel accommodations. University Policy 31 requires that all travel expenses are approved by the traveler’s supervisor. As a result, P-Card holders are not authorized to charge travel expenses to their P-Cards.
• Utilities (i.e. Waterloo North Hydro, Rogers Cable)
• Vehicle rentals – see Travel

**Merchant categories**

All merchants that accept credit cards have been assigned merchant category codes. Based on the University’s P-Card exceptions, certain suppliers or commodities will be declined from the University’s P-Card usage.

As an example, some merchants who provide catering services may have been assigned a merchant category code of ‘Restaurants’ and the P-Card will be declined. Therefore, a list of caterers in Waterloo Region that have a merchant category code of catering (where the P-Card will be accepted) has been assembled. If a card was declined unexpectedly, the Cardholder should contact the P-Card Administrator.

Merchant category codes for successful transactions can be seen in the transaction view section of the P-Card system.

**Alternatives when a P-Card cannot be used**

When a P-Card cannot be used for a certain transaction, the University has provided other alternatives. For example, if a Cardholder was asked to travel out-of-town for University business, he/she could pay for these expenses personally and submit a Travel Expense and Settlement Claim form upon his/her return. Or if travelling by air, the Cardholder can book the flight through the University’s preferred travel agent. Once a completed Travel Advance form is received by Finance, payment to the travel agent is arranged directly and no out-of-pocket expense for the traveler is incurred.

Another example is when a Cardholder is required to make an equipment purchase greater than $5,000, which requires a Purchase Order. The purchase of capital assets must follow University Policy 74. Procurement and Contract Services will ensure this objective is met when a purchase order is created.

Any University furniture purchases must comply with both ergonomic and safety legislation, therefore they also require a purchase order. As mentioned, Procurement and Contract Services will ensure these objectives are met when a purchase order is created.
An individual's 31-digit expense account for purchases can be provided at any University on-campus business. University Catering should also be contacted for any alcoholic purchases.

In addition, the University has an American Express Corporate Card program which can be used for travel related expenses. The Cardholder is responsible for paying the American Express bill and in turn submitting an approved Travel Advance and Settlement Claim form to Finance.

**Misuse**

The following situations are examples of misuse of the Purchasing Card. This list is not exhaustive.

- Purchases for the personal use of the employee
- Assignment or transfer of an individual card to another person
- Use of a P-Card by a suspended or terminated employee
- Lack of proper and timely reconciliation of individual Cardholder account
- Splitting an order to avoid the single-purchase or monthly limit
- Use of the P-Card for commodities restricted by policy
- Charging an item to the P-Card and submitting a Personal Reimbursement form for the same expense

**Reconcile Transactions**

**Logging on to the system**

Please note that Internet Explorer is the only browser supported by Scotiabank (the P-Card system website). The P-Card system website is available 24/7. Cardholders may wish to add this website address to favourites for easy access in future.

Cardholder usernames are a combination of his/her last name and P-Card number, generally the first 4 letters of the last name and last 6 digits of the P-Card number. Reviewer usernames are the individual's University WatIAM. Therefore, if an individual is both a Cardholder and Reviewer, he/she will have different usernames for each role.

Initial passwords are provided by the P-Card Administrator which expires upon initial login. The P-Card website will prompt the creation of a new password. The password must be a minimum of 7 characters in length and is case sensitive. The system will also ask the user to provide a password hint for future use. Cardholders and reviewers are asked to safeguard P-Card system password(s), as with other passwords.

If computer settings do not allow pop-up windows, please ensure that ‘always allow’ is chosen for the P-Card website. This is required in order to log on.

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1 If the Cardholder’s last name is less than 4 letters, it will generally be just the last name, but the Cardholder should confirm this with the P-Card Administrator.
When logging into the P-Card website for the first time, the individual will be asked to answer 5 security questions. For example, ‘What was your mother’s maiden name?’ or ‘What city were you born in?’ Answers may be used to verify the user’s identity when logging-in in future. On subsequent log-ins, users may be asked to answer 2 of these 5 questions to verify his/her identity and proceed to the P-Card online account information.

Password changes can be made by selecting ‘change password’ from the menu the bottom left hand side of the screen and following the instructions provided.

In future, if a Cardholder/reviewer forgets his/her password and clicks on the ‘forgot your password’ link on the log-in screen, a password hint will be emailed to him/her. If the user still can’t remember the password (even with the hint), please follow the additional instructions.

If a password is entered incorrectly three (3) times, the user will be locked out of the system. Contact the P-Card Administrator for assistance if this occurs.

Transaction view
The first screen viewed after logging onto the P-Card website is the Inbox. Scotiabank has the ability to send messages through their website, but the University doesn’t use this messaging method. Instead, P-Card holders and reviewers will receive messages from the P-Card Administrator through University email.

To review transactions, select the transaction view link from the left hand side.

Select a hierarchy from the Select Hierarchy list. The hierarchy appears in the left portion of the window. “Processor Hierarchy” is the default and will be used by Cardholders to view, edit etc. their transactions. “Reviewer Hierarchy” will be used by those who have access to review cardholder accounts.

Dates default to the current period and may be changed. Specify a date range by completing one of the following:

- Enter beginning and end dates in the Start and End fields. Click the calendar icons next to the each date field to select a date from a calendar.
- Select the cycle to search for transactions using the Cycle Type and Cycle Date lists.

Select a Sort by option. Sort transactions by transaction date or post date. Click View Results. The transaction list appears.
Each transaction has an ID number which appears in the 2nd column. To view the transaction detail, click on the ID number. This page provides additional details on the purchase.

The 3rd column stores any notes the Cardholder wishes to make about the purchase. For example, if this purchase was for a conference registration, it is helpful to create a note with the name of the person attending the conference.

Once the note is saved, a check mark indicates a note exists. Notes can be read by clicking on the note icon and will print on the system generated P-Card statement of account; however, this note is not imported into the University’s financial system and will not report on the monthly financial statements.

Column 5 will either appear blank or contain a green dollar sign. This dollar sign indicates that the supplier has provided detailed information regarding a transaction. Very few suppliers submit line item detail when processing P-Card transactions as there is an additional fee to the supplier. As an example, ID #116337 has a dollar sign in this field. To see these details, click on the ID #. The additional details provided by the supplier can be found on the line items tab. For example, each item purchased from Corporate Express is listed with quantities and amounts. If no green dollar sign exists, no additional details are provided. When this is the case, the line items tab indicates ‘general transaction’.

The next column (Rvwd) indicates whether this transaction has been reviewed. Each Faculty and Department may use the reviewed notation differently – Cardholders should inquire with their respective reviewers. In some areas, the Cardholder reviews their transactions and selects the reviewed box when complete. In other areas, the Reviewer reviews the Cardholder’s transactions and then checks the reviewed box. To mark all of the transactions as reviewed, an individual may click ‘Flag All as Rvwd’ at the bottom of the page.

The transaction date (Tran Date) is the date the supplier processed the purchase and charged the card on their terminal. The posted date (Post Date) is the date the transaction is posted to the P-Card account. Normally, transactions are posted to the P-Card account 2-3 days after a purchase is made.
The Amount column contains the amount in Canadian currency that was posted to the P-Card account. If goods or services were purchased in a currency other than Canadian Dollars, this is the Canadian equivalent. The foreign currency amount and exchange rate are provided in the transaction detail.

MCC stands for Merchant Category Code as explained above.

On the far-right are the allocation fields, showing the expense account and end use assigned to each transaction. Prior to changes being made, the Cardholder’s default AFF segments and end-use (i.e. tax code) will show.

**Editing transactions**

In order to modify the AFF segment(s), end use/tax code, select the transaction ID #, make changes as necessary within the transaction tab and click on “update selected” to save the changes. The end use along with other data is used to calculate any tax rebate or self-assessed tax once the transactions are imported into the University’s financial system; therefore it is important that these are accurate. Note that transactions must be edited within the appropriate timeline before the system is locked down each month. See the Account management section for the relevant dates.

Note that if a transaction is allocated to an invalid AFF combination, the transaction will be posted to the related fund 100 and object 6485 when the transaction is imported to Oracle. The original 31-digit account will be noted in the “Invoice Distribution Line Description” field after the existing text for ongoing reference.

**End use and tax codes**

To change the tax code end use from the default, click on the ellipses to the right of the end use box. The drop-down list will give the options that are available. The tax code is a 3 character string which will identify the type of item and the tax charged:

- **T58** – this code indicates that the item purchased was a tangible\(^2\) item (“T”) subject to HST (“58” means 5% Federal/8% Provincial tax)
  - Example: tangible supplies, but also includes conferences held in Canada where HST is charged
  - Purchases from outside of Canada supplied to Ontario will not charge HST so the University will need to pay GST portion (charged by the broker on their invoice) and self-assess the PST portion based on the broker invoice
- **I58** – this code indicates that the item purchased was an intangible\(^3\) item (“I”) subject to HST (“58” means 5% Federal/8% Provincial tax)
  - Examples: services or virtual items, downloaded software
  - Purchases from outside of Canada supplied to Ontario will not charge HST so the University will need to self-assess HST

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\(^2\) Able to be touched; having actual physical existence  
\(^3\) Not tangible; incapable of being perceived by the sense of touch
• T50 – this code indicates that the item purchased was a tangible item (“T”) subject to GST (“50” means 5% Federal/0% Provincial tax – i.e. the goods were entitled to a provincial point of sale rebate
  o Examples: 5% GST is charged on books since books are entitled to the provincial point of sale rebate
  o Purchases in Canada in another province will not charge the Ontario portion of HST (8% portion)
  o Purchases from outside of Canada supplied to Ontario will not charge HST so the University will need to pay GST portion (charged by the broker on their invoice) only
• NTX – this code indicates that the item was not subject to tax; may be tangible or intangible
  o Examples: certain medical supplies, conferences held outside of Canada, goods or services purchased and consumed outside of Canada, groceries and large containers of water
• Z58 or Z50 – these codes are used by Central Stores only to record Customs charges

Default end use is T58: this means that HST applicable to Ontario has been billed and paid on the invoice. The typical HST rebate will be applied for the University to recover a portion of the tax paid (both federal and provincial portions).

A chart summarizing End Use and Relationship to Taxes can be found in Appendix B.

Splitting transactions
The P-Card system allows Cardholders to split a transaction to multiple allocation codes (i.e. taxable and non-taxable portions; cost-sharing). There are several types of splits and several split options. Use the Splits tab in the UW Purchasing Card System to manually split transactions by percent, or amount.

From the transaction tab, click Split and the Splits tab opens. Select By Percent or By Amount. Splitting By Existing Line Items does not calculate the tax properly, so that method is not recommended.

Select either Split all Records Equally (the system will pre-populate the % and $) or New Records All Zero (type in the % or $) under Options for Add. Enter the desired number of splits in the Final # field. Click Add and the splits screen is displayed:

<table>
<thead>
<tr>
<th>Split #</th>
<th>Amount</th>
<th>Percent</th>
<th>Description</th>
<th>Delete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Enter descriptions and allocation codes for each split. If the New Records All Zero option was selected, a percentage must be typed in each of the Percent fields. These split amounts must add up to 100% of the total transaction (for split %) or the total transaction amount (for split $). As each split is entered, the difference between the total transaction amount and the sum of all entered splits displays in the Remaining Amount field.
Tip: Click the Recalculate button to refresh the remaining amount for the transaction. Continue to edit or create splits until the remaining amount equals zero.

Remaining Amount: $20.50  Recalculate

Click Save. The Transaction tab reopens. Click OK. The transaction is split.

**Account management**

Remember that the Scotiabank website can be accessed 24/7 throughout the month, to re-allocate expenses, change the end-use, add notes etc. All transactions that have been posted up to and including the 15th of the month should appear on the statement.

Cardholders must log onto the P-Card website any time prior to the 25th of each following month to review the transactions posted to their account for the billing period (16th of the month to the 15th of the following month (i.e. June 16, 2013 to July 15, 2013 inclusive)). At the end of business on the 25th of each month, the cycle’s transactions will be locked down and are no longer accessible for changes.

Timeline for the P-Card cycle:

Reallocation of charges and **end use (i.e. tax code)**, if required, must be completed within the statement cycle.

Manual changes will not be made by Finance once the statement period is closed.

**Cardholder statement of account**

Each month, the Cardholder will receive an electronic notification from the P-Card system that his/her statement is ready. Many of these email notices are blocked as spam by the university’s computer network so cardholders may not receive the statement sent by the bank. Cardholders not receiving these notifications should add TransPlus@procard.com to their Safe Senders list.

The P-Card Administrator notifies cardholders when the billing period is closed. The Cardholder logs into the P-Card system and he/she selects Requests>Reports on the left of the screen.
Report RPT121 Cardholder Statement (Central Bill) is the report that should be printed to attach to the corresponding receipts/packing slips etc. Once the report is selected it should default to the latest statement period, but the date options can be changed if necessary. Confirm Rich Text Format (RTF) as the output format, select Run Report, and OK when the dialogue box pops up (“The report you have requested will be generated and made available in the report log upon completion…”). This will generate the report.

To access the generated report, click Log on the left of the screen and select the report name. The system will prompt to Open or Save the file. The report will open in Word from where it can be printed. The Cardholder must then match up transactions on the statement with invoices/receipts collected and contact suppliers for copies if any are missing. If the receipt/packing slip does not include a description of the purchase, add a handwritten description on the front of the receipt/packing slip. Prior to the 25th of the month the Cardholder can update the note in the P-Card system and print the statement of account so that the information is printed on the report instead.

Occasionally, an original itemized receipt may not be available. In those instances, a Declaration of Purchasing Card Purchase when Original Receipt is not Available form must be completed and attached to the monthly statement package in place of the receipt. It is expected that this will be extremely rare and the Cardholder is expected to make every effort to obtain a receipt before resorting to the form. Alternatively, the cardholder can update the note with the necessary information and print the statement of account.

There are Cardholder and reviewer signature lines on the RPT121 report – the Cardholder should sign all reports; reviewers will only sign if they have chosen to review the detailed Cardholder statements (see Transaction Review for acceptable review alternatives).

Each month’s assembled bundle must be kept chronologically in an organized manner and be available for audit, on request. It is recommended that all the department’s Cardholders keep all of the bundles in a central storage or filing unit, to ensure access at any given time in case of leave/sabbatical/termination of individual Cardholders. University of Waterloo and Federal and Provincial Government regulations require retention of original source documents (i.e. statements, packing slips, receipts, invoices) for seven (7) years.

Please note that the RPT121 Cardholder Statement contains several features that are not provided in the electronic statement sent by Scotiabank. The features include:
• Reports information about foreign currency transactions include: foreign amount, foreign currency, exchange rate and Canadian dollar equivalent.
• Prints the account number(s) to which a transaction is allocated.
• Prints any notes added to the on-line purchasing card transaction.
• Adds several lines at the end of the statement for the Cardholder's and approver's signature and date.

These features are the reason Cardholders are asked to log into the system to print RPT121.

To log out of the system, click on the Red Scotiabank image.

**Statement balance payment and recording**

The University pays Scotiabank the total of the credit card statement for all Cardholders as the P-Card transactions are locked down and interfaced to Oracle E-Business Suite before the fiscal period is closed.

A hard copy of the statement for all Cardholders will be sent, by Scotiabank, to the Finance Department for reconciliation and audit purposes.

**Changes**

**Cardholder information**

There may be circumstances that require the change or update of Cardholder information. Requests may require a Change of Information form to be completed (those requiring approval) and others may be submitted by email to the P-Card Administrator. Proper departmental approvals must either be signed on the form or cc’d on the email request. To determine the proper authorization access the Provost’s Office web site for the list of Chairs/Department Heads. Common change requests include:

• Cardholder name change – form/email
• Default account change – form approved by Dean/Director/Chair/Department Head (and FO/EO for Faculties)
• Request for additional Org Units – form approved by org unit to be added (and FO/EO for Faculties)
• Request for replacement card – form/email
• Request to cancel card – form/email
• Transfer to new department – form approved by destination org unit
• Limit increases (monthly or transaction/temporary or permanent) – email with explanation to be reviewed and approved by Finance; departmental approval may also be sought (FO/EO for Faculties)

If appropriate, the bank is notified via email of the change.
**Cardholder status**

In the event of a transfer to another department on campus, the individual Cardholder should notify the P-Card Administrator in writing (or email). When a Cardholder transfers departments, the Cardholder in conjunction with the new department management should determine if his/her new department requires him/her to use a P-Card. If the P-Card will be used in the new department, the Change of Information Form should be completed with approval noted by the destination department. Otherwise, the Purchasing Card Administrator should be notified if the card should be cancelled.

In the event of sabbatical or extended travel, the individual Cardholder should notify the P-Card Administrator in writing (or email) when he/she plans to use the card. The P-Card Administrator will then notify the bank to ensure that the P-Card will be accepted in the travel destination. The P-Card Administrator may also need to update the Cardholder's "location" to ensure that appropriate rebates are claimed. Upon the Cardholder's return to the University, the P-Card Administrator should be notified so that the "location" can be returned to Ontario if necessary. All normal uses and use restrictions will apply and the Cardholder will be required to perform statement reconciliation for charges incurred while away.

In the event of maternity/paternity leave, the individual Cardholder should notify the P-Card Administrator in writing (or email). The card will be temporarily suspended. Upon the Cardholder's return to the University, he/she must notify the P-Card Administrator to reactivate the card.

**Lost, stolen or damaged cards**

The Cardholder must immediately contact Scotiabank Customer Service at 1-888-823-9657 (Canada and United States) or collect 1-416-750-6138 (internationally) to report a lost or stolen card. This number is available 7 days a week, 24 hours a day for reporting purposes. The Cardholder must be prepared to respond to the following questions:

- Cardholder's complete name
- Circumstances surrounding the loss of the Card
- Any purchase(s) made on the day the Card was lost or stolen
- Details of the last purchase amount and location
- Personal identification information
- Identify if there is a need to replace the Card

After a missing or stolen Card incident is reported to the Card Issuer, the Cardholder must notify the P-Card Administrator of the lost or stolen card so that the University records can be updated accordingly.

If applicable, the P-Card Administrator will process the required paperwork to the card Issuer to obtain a replacement Card. The Card Issuer will mail the replacement Cards to the P-Card Administrator within 2 working days of notification.
Scotiabank deems unauthorized charges to be charges incurred from lost or stolen cards after they have been reported lost or stolen. The University of Waterloo is responsible for charges until the card is reported lost or stolen. Once a card has been reported stolen, the University is not responsible for any charges that exceed $50. All charges before reporting the card lost or stolen will be expensed to the Departmental account for that Cardholder.

**Transaction Review**

**P-Card System**

It is important to review the P-Card transactions on a monthly basis to ensure validity and that the expense account and end use are correct. Cardholders should also review if they have not made any purchases to verify that no charges have been applied to their account. In addition to individual Cardholders performing these reviews, the P-Card system allows for an individual to be designated as a reviewer (vs. a Cardholder). A reviewer may be responsible for reviewing transactions for reasonableness and/or responsible for the transaction administration for specified Cardholders.

A reviewer should be assigned to each Cardholder such that the transactions undertaken by that Cardholder are reviewed by one of the following methods:

- Review of printed RPT121 Cardholder Statement of Account and associated receipts
- Review of individual transactions on screen in the P-Card system
- Review of departmental FORE reports

Regardless of the method, reviewers are responsible for verifying the prudence of Cardholder transactions, including objects charged, vendors used, appropriateness of business purpose, and reasonableness of amounts.

A review for the purpose of transaction administration (in the P-Card online system) includes online cost allocation including end use (tax code), changes, record keeping and storage.

**FORE**

The following print screens shows how a Purchasing Card transaction will appear in FORE. Note that the supplier will always be Bank of Nova Scotia.

The "Description" shows the name of the supplier that the P-Card transaction is from. More details are provided by drilling into the invoice number further.

The "Invoice Line Type" will either be Item or Miscellaneous

- Item is the invoice amount in CAD currency (or item purchased if itemized purchase imported)
- Miscellaneous is the amount of tax adjustments such as:
- GST/HST self-assessed tax, normally for intangible items, when tax is not charged by the supplier or broker
- GST/HST rebate that this purchase is entitled to as calculated by the system based on the tax coding

Once the invoice detail is drilled down into, the FORE report will show that:

- The Vendor name is “Bank of Nova Scotia”
- The invoice amount and amount paid will always be “0.00” because this is a pre-authorized payment directly from the bank account

In the “Invoice Line Description” the FORE report will show that:

- The supplier’s name that the Visa transaction was posted from
- The transaction date
- The original currency code (In this case it is CAD)
- The original purchase amount (In this case it is $329.52)
- The coding that is used to determine the appropriate taxes and rebates. (In this case T58/ON/ON is broken down into T58 = tangible item with 5% federal and 8% provincial tax, ON = location of purchase Ontario, ON = location of consumption Ontario)
Audits and Reviews

A review process occurs on a periodic basis throughout the year. These reviews are performed by the P-Card Administrator and by Finance Audit.

P-Card Administrator reviews

The following are the steps performed as part of the P-Card Administrator reviews.

- Review the monthly HR list of new hires, promotions and terminations sent to the P-Card Administrator by Human Resources to check for Cardholders.
- If there are Cardholders on the list, the P-Card Administrator follows up with the Cardholder/department and subsequent action as required is performed (i.e. cancelation of the card or transfer of the card to the new department)
- A Cardholder data profile report is run (typically at the 15th of the month) and a cursory review of that data is performed. Any corrections or changes are updated, as required. Typical data reviewed includes incorrectly spelled names, and incorrect formatting of departmental addresses.
- A monthly check is performed on the mailing list ‘P-card_notify’ mailman distribution list. Any card created for that month is checked to ensure it’s on the mailing list correctly. As well the list of terminations for the month is checked against the mailing list to ensure that the address has been removed.

A more extensive review is performed on a yearly basis of the Cardholder information. The following are steps of the review:

- Run and review the Cardholder data file. Check each Cardholder's biographical information
- Check the employee table in Oracle EBS to confirm the employee status of the Cardholder
- Make any corrections/changes, as required
- Ensure that Cardholders are in the correct departmental hierarchy
- Check that the Cardholder’s org units matches with the department information
- Check the email address matches to WatIAM and ensure it’s on the P-Card_notify mailing list correctly
- Retain Cardholder data file with noted changes

Finance Audit

Finance Audits will be conducted to ensure cards are used in accordance with the University and external funding agencies policies and procedures, and that proper records are maintained for seven (7) years as required by government regulations. Finance Audit has developed a P-Card Audit Plan to set out the procedures to be performed.

A summary of audit findings will be provided to management and the Audit Committee, if warranted.
Research Finance Training and Compliance Audit

Compliance Audits will be conducted periodically by the Office of Research Finance Training and Compliance group. The Office of Research receives a list from Finance of all P-Card transactions charged to Fund 105. Research Finance has developed a P-Card Audit Plan for research transactions to set out the procedures to be performed.
Appendix A: Summary of Responsibilities

Cardholder
The Cardholder is responsible for:

- Ensuring all uses of his/her card are valid
- Not providing his/her card to another individual to use
- Purchasing goods according to the appropriate procurement guidelines
- Contacting and resolving any disputes with suppliers
- Retaining invoices, receipts, Visa slips, etc. for all P-Card transactions
- Adding a handwritten description on the front of the receipt/packing slip if the receipt/packing slip does not include a description of the purchase (or add a note in the P-card system so that the note prints on the Statement of Account)
- Reconciling/reallocating charges to the correct AFF in the P-Card system
- Selecting different “End Use” from default, if appropriate
- Printing a reconciled statement (RPT121), identifying monthly activities from the 16th of the month to the 15th of the following month (i.e. June 16, 2013 to July 15, 2013 inclusive) using the Scotiabank website
- Verifying monthly expenditures against the Card statement and signing the statement to signify reconciliation and review
- Attaching the original receipts/packing slips etc. to the corresponding Card statement
- Forwarding the statement with the supporting documentation to the designated reviewer, if the reviewer has chosen that review option
- Ensuring the statement/receipt bundles are retained in an organized manner for a period of seven (7) years (centrally, if possible)
- Ensuring each bundle is kept chronologically and is available for audit, on request.
- Immediately notifying Scotiabank and the P-Card Administrator if the card is lost or stolen
- Notifying the P-Card Administrator of any changes in status of a Cardholder by completing the “University of Waterloo Purchasing Card Change of Information Form”

Reviewer
The Reviewer is responsible for:

- Reviewing Cardholder transactions undertaken by one of the following methods:
  - Review of printed and signed RPT121 Cardholder Statement of Account and associated receipts to verify all charges against Cardholder’s account are accurate, have appropriate documentation to support the amount and business nature of the transaction, and are allocated to the correct AFF and tax code (Note: under this method, the reviewer should also sign the statement)
Review of individual transactions on screen in the P-Card system to verify all charges against Cardholder’s account are reasonable and are allocated to the correct AFF and tax code

Review of departmental FORE reports to verify all charges against Cardholder’s account are reasonable and are allocated to the correct AFF and tax code

- Verifying the prudence of Cardholder transactions, including the appropriateness of the AFF and tax code to which the expense is charged, the propriety of vendors used, validity of business purpose (i.e. no personal expenses), and reasonableness of amounts
- Ensuring that the P-Card was an appropriate procurement tool for the transaction and that appropriate procurement guidelines were followed (i.e. no split transactions to avoid using a Purchase Order)
- Professionally challenging transactions where the item is restricted or the business purpose is not readily apparent, and referring the transaction to their FO or the Finance department if clarification is required
- Ensuring the Cardholder has a plan to retain the statement/receipt bundles in an organized manner for a period of seven (7) years (centrally, if possible)

A review for the purpose of transaction administration (in the P-Card online system) includes online cost allocation including end use (tax code), changes, record keeping and storage.

**Procurement and Contract Services**

Procurement and Contract Services is responsible for:

- Monitoring program usage by supplier, including trend analysis
- Negotiating contracts with suppliers

**Finance**

**P-Card Administrator**

The P-Card Administrator is responsible for:

- Reviewing departmental approved requests for initial activation
- Regular maintenance of the P-Cards
- Assisting in the resolution of problems
- Liaising with the bank regarding cardholders
- Administration of the overall program

**Finance Department**

Finance is responsible for:

- Monitoring transactions periodically to ensure the Card is used properly and in accordance with the University’s established policies and procedures
- Providing feedback to Cardholders in regards to expanding the program and increasing efficiencies
• Payment of P-Card total statement to Scotiabank
• Performance of periodic audits to ensure Cards are used in accordance with the University policies and procedures, and that proper records are maintained for seven (7) years as required by government regulations

Finance is not responsible for reallocating expense charges between AFFs that should have been processed during the statement period.

Finance
Date prepared: 15-Apr-14
Last updated: 18-Nov-14
## Appendix B: End Use Tax Codes

<table>
<thead>
<tr>
<th>Description</th>
<th>T58</th>
<th>I58</th>
<th>T50</th>
<th>NTX</th>
<th>Z58 or Z50</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>End use description</strong></td>
<td>Tangible item with 5% federal and 8% Ontario provincial tax</td>
<td>Intangible item with 5% federal and 8% Ontario provincial tax</td>
<td>Tangible item with 5% federal tax only&lt;sup&gt;4&lt;/sup&gt;</td>
<td>No tax (may be tangible or intangible items)</td>
<td>Customs charges</td>
</tr>
<tr>
<td>Tangible (2) or intangible (3) item?</td>
<td>Tangible items</td>
<td>Intangible items (services or virtual items)</td>
<td>Tangible items only</td>
<td>Tangible items</td>
<td>Also includes conferences/learning events held outside Canada</td>
</tr>
<tr>
<td>Examples</td>
<td>Supplies</td>
<td>Services</td>
<td>Books</td>
<td>Grocery items and large containers of water</td>
<td>For use by Central Stores only</td>
</tr>
<tr>
<td></td>
<td>Learning events or conferences where HST is charged</td>
<td></td>
<td></td>
<td>Donations (memorial)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gift cards</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Certain medical supplies</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Learning events or conferences held outside Canada where no HST is charged</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods or services purchased and consumed outside Canada</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Books</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods consumed in a Canadian province outside of Ontario</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Certain medical supplies</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Learning events or conferences held outside Canada where no HST is charged</td>
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<td></td>
<td></td>
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<td></td>
<td>Goods or services purchased and consumed outside Canada</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Books</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods consumed in a Canadian province outside of Ontario</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Certain medical supplies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Learning events or conferences held outside Canada where no HST is charged</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods or services purchased and consumed outside Canada</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Books</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods consumed in a Canadian province outside of Ontario</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Certain medical supplies</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Learning events or conferences held outside Canada where no HST is charged</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods or services purchased and consumed outside Canada</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Books</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods consumed in a Canadian province outside of Ontario</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Certain medical supplies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Learning events or conferences held outside Canada where no HST is charged</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods or services purchased and consumed outside Canada</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Books</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods consumed in a Canadian province outside of Ontario</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Certain medical supplies</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Learning events or conferences held outside Canada where no HST is charged</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Goods or services purchased and consumed outside Canada</td>
<td></td>
</tr>
</tbody>
</table>

<sup>4</sup> No provincial tax may be charged because these goods may be entitled to a provincial point of sale rebate (i.e. Books)
<table>
<thead>
<tr>
<th>Description</th>
<th>T58</th>
<th>I58</th>
<th>T50</th>
<th>NTX</th>
<th>Z58 or Z50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items purchased outside of Canada and supplied to Ontario</td>
<td>• Supplier charges no tax on the invoice</td>
<td>• Supplier charges no tax on the invoice</td>
<td>• Supplier charges no tax on the invoice</td>
<td>• Supplier charges no tax on the invoice</td>
<td></td>
</tr>
</tbody>
</table>
### Appendix C: Commonly Purchased Items and Related Tax Coding (for Cardholders in Ontario)

#### Tangible purchases

<table>
<thead>
<tr>
<th>Purchased Item</th>
<th>Purchased in Canada</th>
<th>Purchased outside of Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tax 5 is charged</td>
<td>Tax is not charged</td>
</tr>
<tr>
<td>Books</td>
<td>T50</td>
<td>N/A</td>
</tr>
<tr>
<td>Catering/Prepared food (on which HST is charged)</td>
<td>T58</td>
<td>N/A</td>
</tr>
<tr>
<td>Coffee cups</td>
<td>N/A</td>
<td>T58</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>N/A</td>
<td>T58</td>
</tr>
<tr>
<td>DVDs</td>
<td>T58</td>
<td>N/A</td>
</tr>
<tr>
<td>Goods consumed in Canada but outside Ontario</td>
<td>T50</td>
<td>N/A</td>
</tr>
<tr>
<td>Goods or services purchased and consumed outside Canada</td>
<td>N/A</td>
<td>NTX</td>
</tr>
<tr>
<td>Groceries/Food (on which no HST is charged)</td>
<td>N/A</td>
<td>NTX</td>
</tr>
<tr>
<td>Medical supplies (certain non-taxable items)</td>
<td>N/A</td>
<td>NTX</td>
</tr>
<tr>
<td>Supplies (office, paper, etc.)</td>
<td>T58</td>
<td>N/A</td>
</tr>
<tr>
<td>Water/coffee</td>
<td>N/A</td>
<td>NTX</td>
</tr>
</tbody>
</table>

#### Intangible purchases

<table>
<thead>
<tr>
<th>Purchased Item</th>
<th>Purchased in Canada</th>
<th>Purchased outside of Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tax 5 is charged</td>
<td>Tax is not charged</td>
</tr>
<tr>
<td>Conferences (held in Canada; HST charged)</td>
<td>T58</td>
<td>N/A</td>
</tr>
<tr>
<td>Conferences (held outside Canada; no HST charged)</td>
<td>N/A</td>
<td>NTX</td>
</tr>
<tr>
<td>Donations (memorial)</td>
<td>N/A</td>
<td>NTX</td>
</tr>
<tr>
<td>Membership</td>
<td>N/A</td>
<td>NTX</td>
</tr>
<tr>
<td>Service</td>
<td>IS8</td>
<td>IS8</td>
</tr>
<tr>
<td>Software (i.e. downloaded)</td>
<td>IS8</td>
<td>IS8</td>
</tr>
<tr>
<td>Subscriptions (electronic)</td>
<td>IS8</td>
<td>IS8</td>
</tr>
<tr>
<td>Training (held in Canada; HST charged)</td>
<td>T58</td>
<td>N/A</td>
</tr>
<tr>
<td>Training (held outside Canada; no HST charged)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

5 In this context, “tax” means Ontario HST. Other taxes may be charged in other jurisdictions but are not considered to be “tax” for the purpose of this chart.
6 Broker will assess the federal portion of tax at the border when goods are shipped into Canada.
7 Broker will assess the federal portion of tax at the border when goods are shipped into Canada. The University will self-assess the provincial tax portion based on the broker invoice.