

# THE MANAGEMENT PROFESSIONAL DEVELOPMENT ALLOWANCE (MPDA) FOR MEMBERS OF THE MANAGEMENT GROUP (TMG)

**Policy Number** (if applicable):

**Approved by:** President and Vice Presidents

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**Position Responsible for Developing and Maintaining the Policy:** Assistant Vice-President, Human Resources Services

**Contact Department:** Human Resources Services

## PURPOSE

McMaster University is promoting a culture of career planning and development for all employees and accordingly is committed to investing in the professional development of its management staff. The University continues to work with The Management Group (TMG) to create and refine professional development support strategies and policy for the longer term. Since 2001 this has included putting a personal Management Professional Development Allowance (MPDA) in the amount of \$1,000 per fiscal year in the hands of each TMG employee for self-directed career development (versus department-directed training.) The program will continue subject to review by the TMG Total Rewards Committee.

This plan and its implementation will conform to the regulations pertaining to taxable benefits to individuals under the Canada Revenue Agency.

## COMMUNICATION AND ASSESSMENT

Each year Financial Services will prepare a report on utilization (by budget envelope), including average MPDA claim, professional development choices and feedback. This report will be provided to the TMG Total Rewards Committee, which will review the efficacy of the program and report to the AVP Human Resources Services.

## POLICY ELEMENTS

### 1. Eligibility

- a) All full-time members of TMG will be allocated the \$1,000 MPDA each fiscal year. A pro-rated MPDA will be allocated to a TMG staff member joining the University after June 1.
- b) A TMG staff member with a continuing appointment that is less than full-time will receive a pro-rated MPDA.

### 2. Use of Funds

The funds are designated for use by the individual for professional development purposes. Expenses covered by this allowance can include:

- a) dues and membership fees for professional associations;
- b) computer software and supplies used or consumed in the pursuit of the individual's professional development;
- c) travel including registration, transportation, food and accommodation for the member to attend conferences, field trips, research visits, or workshops;
- d) subscriptions to professional publications;
- e) equipment and computers used in the pursuit of the individual's professional development.

All goods purchased under this plan are the property of McMaster University but are available for the use of the individual for professional development activities while the individual is employed by the University. Disposal of such goods is at the discretion of the appropriate envelope manager, the procedures of the federal funding councils serving as guidelines for such decisions.

Ineligible expenses will not be processed for payment. Ineligible expenses include interest charged on overdue charge accounts and other personal expenses that, under current tax legislation, would be considered a taxable benefit to the individual. These personal expenses include but are not restricted to gifts, social club membership fees and personal living expenses.

### 3. Unspent Balances and Borrowing

MPDA accounts will be adjusted to budget at April 30. If an individual has not spent all of his/her MPDA prior to April 30, the unspent allocation will be made available to that member in the following year on the understanding that no more than two times the current level of MPDA will be carried forward in any one year by the TMG member. In addition the TMG member may borrow against future PDA's for up to two years with managerial approval. As a result, TMG members may spend a maximum of 5 years MPDA in one fiscal year. Deficits are to be the first charge against future PDA's. Any unspent balance in excess of the two year carry forward reverts back to the department to develop people. In the case of termination such as resignation or retirement, unspent MPDA balances also revert to the department to develop people and cannot be cashed out by the employee who leaves the University.

An unspent MPDA balance will be retained by an employee upon transfer to another TMG position within the University. Funds equal to the unspent MPDA balance will be transferred to the new department from the old department, including any carry forward amount plus MPDA for the portion of the current fiscal year worked in the old department.

## THE MANAGEMENT PROFESSIONAL DEVELOPMENT ALLOWANCE (MPDA) FOR MEMBERS OF THE MANAGEMENT GROUP (TMG)

### PROCEDURES

In view of the fact that the MPDA is a non-taxable benefit to individuals, the University must exercise the same control over these funds as it does for all other expenditures to ensure that the conditions applicable to non-taxable benefits are met. Consequently, the procedures for handling these funds will be as follows:

1. Human Resources will generate the list of those individuals who will receive an MPDA effective May 1. The list will include name, department, McMaster ID number and MPDA account number.
2. Eligible expenditures must be supported by original receipts or invoices, in accordance with the University's Policy on Reimbursement of Goods and Services.
3. It is the individual's responsibility to ensure that the expenses charged against his/her MPDA account are legitimate costs incurred for his/her professional development. Prior to incurring cost, and where there is any doubt about the applicability of the proposed expenses to professional development, the TMG member is encouraged to discuss use of the MPDA with his/her supervisor.
4. In the case of travel expenses charged against the MPDA, the McMaster University policies and procedures in the document entitled Travel Policy and Procedures will be in effect. In the case of expenditures for other than travel purposes, signing authority will be in accordance with other applicable University policies.
5. The budget envelope manager (or delegate such as Business Manager) is responsible for confirming there are sufficient funds to cover the expenditure. He/she will review the claim and ensure that the expenses claimed are reasonable and, in the case of travel, are in accordance with the McMaster University travel expense policy prior to approving the payment. If the budget envelope manager (or delegate) has concerns about the validity of any individual claim, he/she will contact the individual in order to resolve the concern.
6. Financial Services will provide to budget envelope managers, where required, the means to obtain a listing of all expenses processed against each individual's MPDA account.
7. Whenever a new staff member joins the TMG group, the offer letter will contain the prorated MPDA entitlement, and a notification form will subsequently be completed by the person's manager and submitted to Financial Services for allocation of a sub code. When an employee leaves or terminates, the manager will notify Financial Services to freeze the account sub code.
8. University Technology Services offers to assist TMG staff to optimize their investment in technology particularly for notebooks, computers, personal digital assistants, telephones and related technology by assisting with checklists and information about approved suppliers, software licensing, anti-virus and anti-spam solutions, compatibility, integration, remote access, and total cost of ownership among other matters. Technology Services can also provide information about process to ensure that equipment is etched with an Operation Provident number and to help staff comply with related policies for moveable assets and disposal of obsolete equipment.
9. The account signing authority will provide written authorization for the employee to use equipment and computers, purchased through MPDA, off campus as required by the policy entitled, "University Equipment and Moveable Assets – Loss Prevention and Compensation Policy".

### PROCESSING

1. Travel expenses to be charged against a MPDA account will be processed in the same manner as travel charged to any other source of funds and in accordance with the University's current travel policy.
2. Purchases made through the University's purchasing system, interdepartmental charges, and other on-campus purchases will be processed in the normal manner.
3. In order to reimburse an individual for out-of-pocket expenditures made by cash or personal credit cards, the following procedures will be followed:
  - a) Staff are encouraged to make one claim per year (before April 30) so as to minimize processing costs. Individual claims of \$150 or more will be accepted during the fiscal year; one claim for less than \$150 will be accepted at the end of the fiscal year so as to clear any outstanding expenses incurred, except where the balance is being carried to the following fiscal year.
  - b) The completed form with original receipts for out-of-pocket expenditures will be submitted by the individual to the budget envelope manager (or delegate) for approval.
  - c) The original receipts must indicate the amount paid and a description of the expenditure. For example, a cash register tape from a supplier must be supplemented by a description of the item being purchased.
  - d) The completed form and original receipts must then be forwarded directly to Accounts Payable, for reimbursement. Documentation must be consistent with Accounts Payables' policies on receipts.
  - e) Only complete and properly authorized forms, normally covering charges not more than one year old, will be accepted for payment by Accounts Payable. Claim forms that are not properly completed will be returned directly to the originating department.
  - f) Accounts Payable will retain all original receipts for audit purposes.