



OWNERSHIP OF ASSETS PURCHASED WITH A FACULTY PROFESSIONAL
DEVELOPMENT ALLOWANCE

Effective Date: December 14, 1998 **Originating Office:** Office of the Vice-
President, Finance
Supersedes /Amends Policy dated: n/a **Policy Number:** CFO-5

SCOPE

This policy applies to the purchase of assets by full-time faculty members with their professional development allowance ("allowance").

PURPOSE

The purpose of this policy is to ensure the orderly treatment of assets purchased with an allowance including the appropriate taxation status of the allowance.

PREAMBLE

A letter of agreement signed between Concordia University and the Concordia University Faculty Association in June of 1994 introduced the concept of a professional development allowance. This allowance is made available to each full-time faculty member holding a tenured, probationary or extended term appointment for legitimate expenditures related to the performance of the member's duties. Allowable expenses include professional memberships, books, journals, equipment and supplies related to the member's teaching or research activities as well as conference registration fees and related travel and accommodation costs.

It is important to note that the non-taxable status of this allowance is based upon the fact that the University owns any assets purchased with these funds. If this were not the case, the allowance would become fully taxable.

POLICY

1. In accordance with the *Policy on Capital Asset Management*, all capital assets purchased with University operating, capital or restricted funds, as well as all donated capital assets, are the property of the University regardless of physical location. As such, assets purchased with the allowance are normally owned by the University.
2. In order to ensure that any asset purchased with an allowance shall be considered a non-taxable benefit to the faculty member, the following conditions shall apply:
 - a. the asset must be purchased by the University using either a Minor Purchase Order or a Purchase Requisition in accordance with the *Purchasing Policy*;
 - b. in cases where the asset purchased is valued at more than the maximum allowance available, a personal cheque, made to the order of the University, for



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Page 2 of 2

- the excess amount, must accompany the Purchase Requisition;
- c. the asset must be included in the University's Fixed Assets Inventory System and shall be insured accordingly subject to any conditions imposed by the University's insurers;
 - d. in accordance with the *Policy on Capital Asset Management*, it is the responsibility of the Department/Unit Head or Organization Manager to ensure that assets assigned to his or her custody are maintained and safeguarded in accordance with University policies and procedures. The Department/Unit Head or Organization Manager shall be responsible, as well, for retrieving the asset upon the departure of the faculty member should he or she choose not to purchase the asset;
 - e. should the faculty member choose to purchase the asset upon his or her departure, Purchasing Services shall determine the value of the asset at the time of the disposition and invoice the faculty member accordingly. It should be noted that sales tax shall apply.
3. Should the faculty member, at the outset, choose to retain ownership of the asset purchased, he or she shall so indicate to his or her Budget Officer. In such cases, the Payroll Department shall issue a lump-sum payment representing the amount of the allowance being expended directly to the faculty member subject to all applicable federal and provincial source deductions.

This amount shall be included in the faculty member's taxable employment income. The asset purchased shall not be covered by the University's insurance policies and shall not form part of the University's Fixed Assets Inventory System.