

The University of Western Ontario

Guidelines for Completion of Canada Revenue Agency

Form T2200: Declaration of Conditions of Employment

The T2200 requires the employee and employer to set out the conditions of the employment by asking specific questions, the answer to which will determine the extent to which the employee may be entitled to employment deductions under section 8 of the Income Tax Act. The purpose of these guidelines is to identify the appropriate University representatives who can sign the form, to assist senior university administrators (Deans, Associate Vice-Presidents and Directors of non-academic units) in their understanding of the form and to communicate the implications to the University and the individual of their completing the form.

Section 1: Procedures

1. The Employee (faculty or staff) pre-fills Form T2200 and provides **their senior university administrative leader** (Dean, Associate Vice-President or Director of a non-academic unit) with a brief written statement outlining the type of expenses incurred and the basis for requesting the Form T2200.
2. The senior university administrator may wish to speak to the department chair, school director or, in the case of a non-academic employer, direct supervisors about the responsibilities and activities of the employee. They should review the enclosed sample form and list of expenses that are eligible for reimbursement under their professional allowance program and consider what is available out of operating budgets.
3. The senior university administrator must decide whether or not to sign the declaration. If there is any doubt, the request for the declaration should be forwarded to Faculty Relations or Staff Relations for review.
4. The senior university administrator is not required to determine the deductibility of the expenses. They are only required to certify that the employment arrangement requires the employee to incur, without subsequent reimbursement, the expenses.
5. A copy of the completed form should be sent to Human Resources for filing in the employee's personnel file.

Section 2: Clarification of conditions relevant to the form

(Refer to form attached)

Contract requirement to pay own expenses The contract of employment includes not only the written contract but also any unwritten contract that forms the basis for the employment relationship. The requirement to pay one's own expenses may be implicit, for example, if the department does not provide a working space or access to department supplies. In this case, it is implicit in the employment contract that the employee must use their own office and/or supplies to fulfill their responsibilities.

Home office expenses For these expenses to be deductible, the employer must certify that the employee was not provided an office at the University or place of business and either that he/she works from the home principally (more than 50% of the time) or meets regularly with persons at their home in performing their duties.

Supplies If the employee is not entitled to reimbursement of supplies and the purchase of supplies is required in order to adequately perform research or employment functions, there is a reasonable argument for the completion of the T2200. Supplies include regular office supplies like pens, paper, paperclips, postage, and phone charges but do not include items that are not consumed in fulfilling the employment responsibilities (e.g. briefcases, calculators, books or subscriptions are excluded).

Meal and Transportation Expenses If the employee is not entitled to travel expense reimbursement and was ordinarily required to perform duties away from the University campus or place of business, expenses may be deducted. This may include meals, conferences and professional development activities which required the employee to be away from London for more than 12 hours. Expenses to travel to and from the campus are not eligible unless the employee does not have an office at the University.

Section 3: Categories of expenses reimbursable under current University policies

1. Professional Allowance reimbursements for part time and full time faculty, Professional and Managerial staff, Staff Association (exempt) and Police. The annual dollar limit varies by employee group.
2. Office supplies provided through department operating budgets (subject to limitation of department budgets).
3. Research expenses eligible for tax credit against University research grants (limited by size of University research grant).
4. Travel expenses eligible for reimbursement (subject to limitation of department or program budget).

Section 4: Penalties and liabilities

It is important that senior administrators understand that there are consequences to signing a T2200 and making statements that are not entirely true. It is possible that senior administrators have been persuaded to sign the T2200 form to support the initiatives of the employee without understanding these consequences.

Under paragraph 239(1)(a) of the Income Tax Act, every person who has “made or participated in, assented to or acquiesced in the making of, false or deceptive statements in a return, certificate, statement or answer filed or made as required by or under this Act or regulation” is guilty of an offence. The penalties could be a fine equal to 50-200% of the income tax evaded and a term of up to 2 years imprisonment.



DECLARATION OF CONDITIONS OF EMPLOYMENT

- You have to complete this form to deduct employment expenses from your income. You complete **Part A**, and your employer completes **Part B**.
- You do not have to file this form with your return. However, you have to keep it in case we ask to see it.
- For more information, see guide T4044, *Employment Expenses*, or Interpretation Bulletins IT-352, *Employee's Expenses, Including Work Space in Home Expenses*, and IT-522, *Vehicle, Travel and Sales Expenses*.

Yes if the employee has expenses that assist in the performance of duties beyond what is available for reimbursement or **Yes** if the employee does not have an office on campus. **Otherwise NO.**

Part A – Employee information (to be completed by the employee)

Last name Sample	First name Employee	Employee number 999
Home address 123 Street, City Province N#N #N#	Business address The University of Western Ontario, London N6A 5B8	

Part B – Conditions of employment (to be completed by the employer)

- Did this employee's contract require the employee to pay his or her own expenses? Yes No
- a) Did you normally require this employee to work away from your place of business or in different places? Yes No
b) If yes, what was the employee's area of travel? _____
- Indicate the period of employment during the year. From: 2004 1 To: 2004 12
(Year) (Month) (Year) (Month)
- a) Did this employee receive an allowance? Yes No
b) If yes, indicate:
i) the amount received as a fixed allowance, such as a flat monthly allowance. \$ _____
ii) the per km rate used 0.30 (\$/km), and the amount received. \$ _____
iii) the amount of the allowance that was included on the employee's T4 slip. \$ _____
- a) Did this employee receive a repayment of the expenses he or she paid to earn employment income? Yes No
b) If yes, indicate the amount that was:
i) received upon proof of payment. \$ _____
ii) charged to the employer, such as credit-card charges. \$ _____
iii) included on the employee's T4 slip. \$ _____
- a) Did you require this employee to pay other expenses for which the employee did not receive any allowance or repayment? Yes No
b) If yes, indicate the type(s) of expenses. _____
- a) Did you pay this employee wholly or partly under a contract or contracts negotiated? Yes No
b) If yes, indicate the amount paid, \$ _____
- Did you require this employee to be away for at least 12 hours from the municipality and metropolitan area (if there is one) of your business where the employee normally reported for work? Yes No
- a) Did you require this employee under a contract of employment to:
• rent an office away from your place of business or use a portion of his or her home? Yes No
• pay for a substitute or assistant? Yes No
• pay for supplies that the employee used directly in his or her work? Yes No
b) Did you or will you repay this employee for any of the expenses in 9a)? Yes No
c) If yes to 9b), indicate the amount you did or will repay. \$ 900.00

Could be **No** if no ability to fund the expenses through operating budget or other sources

Amount of expenses already put through unit operating budget for the year.

Yes otherwise there would be no need for the form. Types should be office supplies and travel expenses.

Yes if the employee has expenses that assist in the performance of duties beyond what is available for reimbursement expenses.

At least **\$900** for full time faculty; up to **\$420** for part time faculty; up to **\$600** for PMA staff, Operating Engineers, Police & Staff exempt; can also be carry over available and other sources

