



**GOVERNANCE POLICY**

POLICY TITLE: Expense Policy and Procedure

Section	Governance
Category	Financial Services
Number	3421-V1

**Expense Guidelines Policy and Procedure**

**Guiding Principles:**

- Staff will be reimbursed for reasonable and actual expenses incurred by them when on organization business.
- Reimbursable expenses will support program objectives of the organization.
- Expenses will be reimbursed providing they are supported with original receipts and/or documentation.
- Expense reports that do not comply with policies and procedures may be returned to the staff member and not processed until corrected.
- Expense reports should be submitted in a timely manner. Any expenses submitted past the accepted timeframe may not be reimbursed and an explanation indicating reasons for the delay in submission will accompany the request for reimbursement.
- Staff will aim to make the most practical, economical and reasonable arrangements for travel, meals, hospitality, personal, and corporate expenses.
- Staff expenses will be approved by the appropriate supervisor.
- No individual should approve his or her own expenses, or that of a subordinate that has paid for travel, meal, etc., expensed to the supervisor’s benefit.
- The person approving the expense report is responsible to ensure all claims are correct, reasonable and in accordance with the expense policy.

**Definitions**

The terms below are found frequently throughout this policy.

*Authorization* – The approval of an expense reimbursement and business travel claim by the appropriate person with adequate signing authority. Generally, authorization requires the immediate supervisor’s approval as long as the expense claim amount is within their signing limit.

*Business Expenses* – Reasonable expenses incurred by staff in the course of performing their duties.

*Business Travel* – Travel required for organization business and authorized by the appropriate level of authority.

*Hospitality* – The provision of food, beverage, accommodation, transportation and other amenities at the organization’s expense to persons who are not employed by the organization.

*Consultants* – persons providing services to the organization on an independent contractor basis, and who are not employees of the organization. For greater clarity, consultants are not to be considered “staff”; that term is defined below.

*Office* – The organization-related regular place of work. For example, the address on a staff person’s business card or where the staff person regularly performs their duties, has an office, desk, computer, telephone etc.

*Personal Vehicle* – A vehicle owned, borrowed or rented/leased personally by a member of staff.

*Receipt* – An original document, or carbon or certified copy, with the details of the expenditure, the amount, the date and indicating proof of payment.

*Staff* – For the purposes of these Guidelines, “staff” includes all organization employees, credentialed staff, volunteers, faculty, Board Directors, outsourced service staff and other individuals engaged in organization business and who intend to receive travel and expense reimbursement under this policy.

**EXPENSE REIMBURSEMENT**

Reimbursable business expenses will:

- Be work related;
- Be modest, appropriate and reasonable;
- Strike a balance among economy, health and safety, and efficiency of operations; and,
- Be submitted in a timely fashion, and in the form and manner stipulated under organization policy.

Generally, expenses of a personal nature will not be reimbursed. Such expenses include but are not limited to expenses for:

- expenses resulting from unlawful conduct
- traffic and parking violations incurred while driving on organization business.
- recreational purposes (e.g. video rentals, mini-bars, special facilities charges, entertainment not directly related to organization business, etc.)
- personal items not required to conduct organization business
- memberships to reward programs or clubs (e.g., airline clubs)
- social events that do not constitute hospitality
- alcoholic drinks
- child and pet care
- expenses incurred due to the presence of friends or family members
- hotel expenses incurred because of failure to cancel reservation
- credit card fees and late payment charges
- additional ancillary charges such as premiums for failure to re-fuel in a rental car

**Expense Reimbursement Form:**

All claims for expense reimbursement will be submitted on the standardized reimbursement form (copy attached).

- A hard copy of the form must be accompanied with original, itemized receipts.
- The claim will clearly state to whom the payment will be made.
- The claim will state the business purpose for the expenditure in an expense description column.
- If the individual seeking reimbursement incurred costs on behalf of other individuals (e.g. meals purchased on behalf of clients), the names and titles of those other individuals will be included.
- Any travel advance will be deducted from the claim.
- The form will be signed by the member of staff requesting reimbursement and the member of staff's immediate supervisor if the total is within their authorization limit. It will include a valid accounting unit and expense account code.

**TRAVEL**

Travel and Transportation:

- When possible, travel will be approved in advance by a claimant's department head or director. Pre-approval will be documented (e.g. email) and attached to the travel claim.
- A copy of the boarding pass or ticket for all modes of transportation will be attached to the expense report.
- Where a number of staff members are attending the same function, shared travel will be considered and required where possible.
- The mode of transportation chosen – air, train, or car, will be that which enables the member to attend to organization business with the least cost to the organization, consistent with the least amount of interruption to the member's regular business and personal schedules. Consideration will be taken as to the length of time away from the workplace.
- Basic economy/coach fares will be paid by the organization. Any upgrades would be the responsibility of the member of staff.
- Travel costs associated with others (i.e. spouse), including meals and cancellation fees, are not covered and must be paid for by the staff member.
- When personal travel is combined with business travel, the staff member will be reimbursed for only the business portion of the trip at the lowest available fare.
- Personal travel does not include travel to or from home when traveling for business.
- In the event that travel is cancelled, any travel expenses that have been reimbursed to the staff member by the vendor, including but not limited to the cost of train or flight tickets, must be reimbursed to the organization within thirty (30) days of such cancellation.

**Travel by Vehicle**

**Personal Vehicles**

- Personal vehicles used on organization business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage will be equal to or greater than the minimum liability specified in the *Insurance Act*. Drivers must satisfy themselves whether their motor vehicle insurance coverage will include business use of their vehicles.
- The organization will not reimburse costs of collision and liability coverage.
- For greater clarity, the organization assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when used for organization business. Those driving a personal vehicle on organization business cannot make claims to the organization for damages as a result of a collision or applicable deductibles.
- When staff uses their own vehicles for organization business, reimbursement will be in accordance with the approved kilometre allowance. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance.
- Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.
- Where a traveler accumulates more than 1000 km/month on a regular basis, the manager will investigate lower cost options. Where a traveler continues to use a personal vehicle, the rationale for this practice will be documented.

Mileage is calculated at the approved rate per kilometre.

**Taxis**

- The use of taxis by staff will be reasonable.
- Original receipts will be attached to the expense report.

Examples of when taxis may be appropriate include:

- situations requiring transportation between stations or airports and the organization; and
- situations requiring transportation between stations or airports and a staff member's home.

**Travel by Air**

- Staff may travel by air for trips that are beyond reasonable driving distance. Prior approval for all travel by air must be obtained and documented in writing.
- Staff will travel Economy class for all domestic and international travel
- Every effort will be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with necessary travel requirements.
- The original boarding pass/passes and ticket/E-ticket must be attached to the expense report for each segment of travel.

**MEALS**

**Business Meals** (includes meals when traveling for business)

- Staff is reimbursed for reasonable meal expenses, subject to approval by the claimant's manager, if expenditures are incurred while the claimant is away from his or her place of work on organization business.
- Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses. Reimbursement must not exceed the amount actually spent (including taxes and gratuities) as validated by a receipt accompanying the claim.
- No reimbursement will be made for meals consumed at home prior to departure or on return, or for meals included in the cost of transportation, accommodation, seminars and/or conferences.
- When a staff member is authorized to pay for meals of others, expense reports must include a brief explanation of the event and a list of those in attendance. The highest ranking member of staff will pay for the meal expenditures.

The daily limits on reimbursement for a meal, and/or for a full day are \$80/day with a cap of \$50 for a single meal.

**ALCOHOL**

## **POLICY**

Costs incurred for alcoholic beverages are not reimbursable and staff is encouraged to ask the restaurant for a separate invoice when having alcohol with their meals.

## **ACCOMMODATIONS**

- Staff will use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. No reimbursement will be made for suites, executive floors, or concierge levels.
- Staff is responsible for all room charges and must review the hotel bill carefully to ensure all charges are correct. A detailed copy of the hotel bill must be attached to the expense report.
- Generally, staff will not be reimbursed for entertainment, laundry service, pay TV or movies, alcohol or special facility charges (e.g. fitness clubs). However, under certain circumstances, including but not limited to long-term business trips, the organization may choose to reimburse some or all of these costs. Costs will always remain reasonable.
- Long-distance business phone calls are reimbursed, however discretion will be used in the frequency and length. Reimbursement will be made for reasonable costs for necessary personal phone calls home for each night away.
- Standard tips and gratuities are reimbursable, but will be documented on the expense report.
- While traveling on organization business, additional business expenses not otherwise covered will be reimbursed, such as computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to organization business.
- The organization expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

## **CASH ADVANCES TO COVER COSTS RELATED TO OUT OF REGION TRAVEL**

Cash advances will be approved upon request and at the discretion of the Chief Executive Officer or designate, to cover hotel, transportation costs or other related anticipated costs prior to attendance at conferences/workshops out of region. All expenses require original receipts to be presented upon return and are recorded on the Expense Claim for Reimbursement. Any under or overpayments will be adjusted when the expense account is submitted.

## **CONSULTANT EXPENSES**

Consultants are not considered staff and therefore are not covered by personal business expense policies.

Any contract between the organization and the consultant will clearly specify any and all reimbursable expenses.

## **PROVISION OF HOSPITALITY**

- Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at the organization's expense to persons who are not engaged in work for the organization.
- Hospitality expenses are only reimbursable if a reasonable ratio of staff to persons who are not engaged in work for the organization is demonstrable.
- Hospitality will be extended in an economical, consistent and appropriate way when it will facilitate organization business or is considered desirable as a matter of courtesy.
- Functions that are exceptions to the above must have prior approval of the CEO or the CEO's designate.
- Where hospitality events are extended by the organization, and where the guests include vendors (current or prospective), managers are responsible for obtaining prior approval to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.

Hospitality may be extended on behalf of the organization when:

1. Engaging representatives of other organizations, the government, the broader public sector, industry, public interest groups or union representatives in discussion on organization matters;
2. Sponsoring formal conferences for representatives of health service provider organizations, or for government, business or labour groups;
3. Providing persons from national or international organizations and charitable organizations with an understanding and appreciation of the organization sector or the workings of the organization;
4. Honouring distinguished persons from the health care sector in recognition of exceptional public service; and

5. Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector.

**PROVIDING ALCOHOL**

- The decision to provide alcohol as part of hospitality will be made by the CEO or the CEO's designate (appropriate Director) and will be consistent with the principles of this expense policy.
- Providing alcohol will be limited to meals and receptions.
- The Organization may also choose not to provide alcoholic beverages or to limit the number of beverages they offer at an event.

**ACCEPTANCE OF HOSPITALITY**

Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest, and may therefore be prohibited. Supervisors and Directors are responsible for ensuring that staff are aware of their conflict of interest obligations.

- Organizations will ensure that they avoid the appearance of impropriety or favouritism when accepting hospitality from vendors (current or prospective).
- Staff attendance on behalf of a organization at various third party events, including but not limited to sporting events, entertainment, dinners or speaking engagements, must not violate the organization's conflict of interest obligations, nor will such attendance *appear* to violate those obligations.

**STAFF EVENTS**

The following events are financially supported by the organization:

1. Annual Employee and Board Recognition Night
  2. Volunteer Recognition Events
  3. Medical Staff Recognition Events
  4. Annual Operations Management and Leadership Recognition Night
- The decision to provide alcohol at the staff event/party must be approved by the CEO and the Board of Directors, and appropriate measures will be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.

Individual departments and/or units/teams may wish to hold a holiday event and/or other social event during the year with their staff. The costs of these events are to be borne solely by the staff and the activities will take place during a time so as not to disrupt the regular operations of the organization.

Reference: Ontario Organization Association, March 2010: Organization Expense Policy Guidelines Broader Public Sector Expenses Directive – Management Board of Cabinet, Government of Ontario, Effective April 1, 2011

February, 2011

<b>POLICY APPROVAL</b>	
Approving Authority: <b>Board of Directors</b>	Date of Approval: <b>February 23, 2011</b>
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