

	<input checked="" type="checkbox"/> Policy	Section Finance	Number 06-011
	<input type="checkbox"/> Procedure		
	<input type="checkbox"/> Protocol		
	<input type="checkbox"/> Terms of Reference		
<b>Travel, Meal and Hospitality Expense Reimbursement Policy</b>			
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Owner: Chief Financial Officer		Reviewer(s):	Approver: Chief Financial Officer
Cross Reference:			

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### **Preamble**

It is recognized, that at times, reimbursable business expenses will be incurred personally. This policy has been developed in compliance with the Broader Public Sector Expenses Directive, effective April 1, 2011.

### **Purpose**

The purpose of this policy is to clarify what is considered a reimbursable business expense and outline the process for reimbursement while maintaining a high level of accountability and transparency.

### **Policy**

This policy is based on the following Principles:

#### **Accountability**

South Huron Hospital Association (Hospital) is accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses submitted must support the Hospital's business objectives.

#### **Transparency**

The Hospital is transparent to all stakeholders. The rules for incurring and reimbursing travel, meal and hospitality expenses are clear, easily understood, and available to the public.

#### **Value for Money**

Public funds are used prudently and responsibly. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.

#### **Fairness**

Legitimate authorized expenses incurred during the course of the business of an organization are reimbursed.

## **Departments Affected**

This Statement of Policy and Procedure applies to all persons in the organization who submit expense reports including, board members, employees and medical staff (staff member).

Expenses incurred on behalf of another organization are subject to the policies of that organization and should be submitted to that organization directly.

Consultants and contractors are not considered staff and expenses must only be reimbursed as explicitly agreed to and detailed in the consultant's contract; which can not differ from this policy.

The expense claims of specific roles will be posted on the Hospital's website in accordance with the Broader Public Sector Accountability Act.

## **Special Considerations**

### **Accountability Framework**

A framework has been included to ensure that there is appropriate governance, and that everyone understands the authority for approvals.

No expense reimbursement claim will be approved without proper documentation.

No expense reimbursement claim will be paid without proper approval.

Expense reimbursement claims must be approved by the immediate supervisor or delegate as appropriate. Approval of their own expenses is not permitted.

The staff with the most senior designation should pay for the meal expenditures and submit the expense reimbursement claim.

Submit claims by the end of the following quarter.

In the event that managerial discretion is required for a reimbursement claim, the decision and rationale must be carefully documented. Approvers are accountable for their decisions, which should be:

- Subject to good judgment and knowledge of the situation;
- Exercised in appropriate circumstances; and
- Comply with the principles and mandatory requirements and the expense rules

When a situation arises and discretion needs to be exercised, approvers should consider whether the request is:

- Able to stand up to scrutiny by the auditors and members of the public
- Properly explained and documented
- Fair and equitable
- Reasonable
- Appropriate

## Travel

Before any travel plans are made, it must be determined as necessary with other options, such as teleconference, video conferencing having first been explored.

All travel outside of Ontario must be pre-approved by the appropriate authority level in writing and be attached to the expense reimbursement claim.

The boarding pass or ticket for all modes of transportation and parking receipts should be attached to the expense report.

The mode of transportation chosen- air, train or car, should be that which enables the staff member to attend to Hospital business with the least cost to the Hospital, consistent with the least amount of interruption to the staff member's regular business and personal schedules. Consideration should be taken as to the length of time away from the workplace.

Travel for others (e.g. 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 travelling for business.

In the event that travel is cancelled, any travel expenses that have been reimbursed to the staff member, including but not limiting to the cost of train or flight tickets, must be reimbursed to the Hospital within thirty (30) days of such cancellation.

Traffic and parking violations incurred while driving on Hospital business will not be reimbursed.

## Use of privately-owned vehicle

The Hospital assumes no financial responsibility for privately-owned vehicles, other than kilometer reimbursement for business travel.

Kilometers will be reimbursed in accordance with established rates indicated on the Mileage Reimbursement Schedule 06-011C for the use of a privately-owned vehicle. If the destination does not have an established rate it will be as per the most economical highway distance. This rate is to cover the cost of fuel, general vehicle maintenance and insurance.

Should an accident occur while on business travel it must be immediately reported to the proper law enforcement authority and the staff member's immediate supervisor.

- The vehicle must be insured at the vehicle owner's expense for personal motor vehicle liability.
- It is the driver/owner's responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.
- The Hospital will not reimburse the costs of insurance coverage for business use, physical damage or liability.
- The Hospital is not responsible for reimbursing deductible amounts related to insurance coverage.

- In the event of an accident, you will not be permitted to make a claim to the Hospital for any resulting damages.

### Accommodation

Staff members should 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 members should be responsible for all room charges and must review the hotel bill carefully to ensure all charges are correct. An original detailed copy of the hotel bill must be attached to the expense report.

Long distance business and personal calls are reimbursed, however discretion should be used in the frequency and length.

Standard tips and gratuities are reimbursable, but must be documented on the expense report.

While travelling on hospital 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 hospital business.

Recreational expenses such as video rentals and mini-bars will not be reimbursed.

The hospital expects discretion to be applied with any expense incurred and reserves the right to limit reimbursement to reasonable costs.

### Meals

Alcohol will not be reimbursed as part of a meal or travel under any circumstance. There are no exceptions to this rule.

Staff members are reimbursed for reasonable meal expenses, subject to approval by the staff member's manager, if expenditures are incurred while the staff member is away from his/her place of work on hospital business. When travelling on hospital business, staff may also be reimbursed for reasonable meal expenses when the staff member is required to work during or through normal meal periods.

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 the original detailed receipt accompanying the claim.

Reasonable gratuities will be reimbursed.

Allowable maximum meal rates per day will be reimbursed in accordance with established rates indicated on the Expense Reimbursement Summary form 06-011A.

Rates are for individual meals consumed by the claimant, and are inclusive of taxes and gratuity.

The rates are not an allowance, they are for consumed meals.

No reimbursement shall 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 should pay for the meal expenditures.

Claims for meals for persons other than the claimant are to be in compliance with the Hospitality policy below.

### Hospitality

#### *Providing Hospitality*

Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at the hospital's expense to persons who are not engaged in work for the hospital.

Hospitality expenses should only be reimbursed if a reasonable ratio of staff to persons who are not engaged in work for the hospital is demonstrated.

Hospitality expenses are never appropriate for functions involving only hospital board members, employees and medical staff participating in social events such as holiday lunches and retirement parties.

Hospitality should be extended in an economically, consistent and appropriate way when it will facilitate the Hospital business or is considered desirable as a matter of courtesy.

Functions that are exceptions to the above must have prior written approval of the CEO.

Where hospitality events are extended by the Hospital, and where the guests include vendors (current or prospective), managers are responsible for obtaining prior written approval of the CEO to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.

#### *Acceptance of Hospitality*

Acceptance of hospitality from vendors (current or prospective) is a conflict of interest.

Consultants may receive hospitality or take part in hospitality events so long as it is consistent with the principles of the Hospital's expense policy.

### Claim submission

Submission of the claim for reimbursement must be consistent with the reimbursement procedures and include:

- Original, itemized receipts
- Event details including purpose, date(s), location, attendee names and organization and the type of hospitality

- Appropriate approvals and pre approvals

### Alcohol

Costs incurred for alcoholic beverages will not be reimbursed as part of a travel, meal or hospitality expense.

### Non-Reimbursable Business Expenses

Personal expenditures are not eligible for reimbursement. The following list provides examples, but it is not an exhaustive list; if you require clarification of an item please speak to your immediate supervisor.

- Expenses resulting from unlawful conduct
- Traffic and parking violations incurred while driving on hospital business
- Recreational purposes (e.g. video rentals, mini-bars, special facilities charges, entertainment not directly related to hospital business, etc.)
- Memberships to reward programs or clubs (e.g. airline clubs)
- Social events that do not constitute hospitality
- Alcoholic drinks, unless part of hospitality and pre-approved
- Expenses incurred due to the presence of friends or family members, unless part of hospitality.
- 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 refuel in a rental car

### Expense Reimbursement Procedure

Claim for reimbursement must be made on the Hospital *Expense Reimbursement Summary form 06-011A* or *Hospitality Reimbursement Summary 06-011B*. This form must be completed in its entirety, with all claims supported by original receipts and approvals attached.

If the claim information is not available, a written explanation with the claim to provide the approver with adequate information to decide on approval must be supplied.

The completed form must be signed in approval by the staff member's immediate supervisor prior to submission to Accounts Payable or it will be returned unprocessed.

Any overpayment is to be classified as a receivable from the claimant until repayment is made.

If leaving the employment of the Hospital, all claims must be submitted before leaving the organization.

The records are to be maintained according to the Hospital's Records Retention Storage and Destruction Policy 01-012.

## Expenses For Consultants And Other Contractors

Consultants and contractors are not considered staff and expenses must only be reimbursed as explicitly agreed to and detailed in the consultant's contract; which can not differ from this policy.

In no circumstance can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor.

### **Related Documents**

06-011A	Expense Reimbursement Summary
06-011B	Hospitality Reimbursement Summary
06-011C	Mileage Reimbursement Schedule
01-012	Records Retention Storage and Destruction
06-007	Petty Cash
06-008	Corporate Credit Cards
30-xxx	Procurement Policies

### **References**

Broader Public Sector Expenses Directive  
Broader Public Sector Accountability Act  
Ontario Hospital Association Hospital Policy Guidelines  
Travel, Meal and Hospitality Expenses Directive