

## Policies, Procedures, Standard Operating Practices

No. FIN-ap-05

**Title:** Allowable Expenses for Reimbursement – Travel and Hospitality for Persons Engaged to Work for TBRHSC, Consultants and Other Contractors

☒ **Policy**      ☒ **Procedure**      ☐ **SOP**

**Category:** Corporate Services and Operations  
**Dept/Prog/Service:** Financial Services

**Distribution:** Organization Wide

**Approved:** Exec. VP, Corporate Services and Operations  
**Signature:**

**Approval Date:** April 1998  
**Reviewed/Revised Date:** Feb. 3, 2015  
**Next Review Date:** Feb, 2018

CROSS REFERENCES: *ADMIN-21 Approval Authority, PUR-09 Purchasing Procedures and Contract Management, HR-cba-14 Mileage Cost Reimbursement*

## 1. PURPOSE

The purpose of this policy is to:

- Ensure fair and reasonable practices in the reimbursement of necessary expenses for TBRHSC business;
- Promote economic and efficient use of publicly funded resources;
- Establish a framework of accountability and transparency;
- Comply with the legislated expense directives;
- Ensure that advances, the temporary use of the organization's financial resources, are appropriate, authorized and to the benefit of the organization and are repaid or expended as valid.

## 2. POLICY STATEMENT

TBRHSC will reimburse allowable expenses, consistent with normal living standards and respectful of actual necessary expenses incurred, supported by original detailed receipts and approved and authorized in accordance with policy.

### Employees and Persons Engaged to Work for TBRHSC must:

- Consult and obtain prior documented written approval for travel, hospitality, all paid leaves of absence and conference/meeting attendance before registration and/or travel arrangements are made and expenses are incurred;
- Retain and submit original itemized receipts that detail the nature of the expense including date, time, location, taxes and gratuities incurred;
- Complete expense reports, compliant with policy and certify to their accuracy;
- Submit certified reports to their supervisor for discussion and approval in a timely manner;
- Promptly repay any unexpended travel advances and/or overpayments.

### Approval authorities must:

- Assure there are sufficient budgeted funds;
- Determine and communicate the scope of allowable expenses, including transportation, meal and accommodation details during the pre-approval stage and pre-approve necessary travel before expenses are incurred;
- Provide approval only for expenses that were necessarily incurred in the performance of organization objectives;
- Review and certify expense claims for accuracy, completeness and compliance, ensuring all appropriate documentation is included;
- Establish contracts and terms with consultants and other contractors before service is provided;
- Ensure consultant/contractor expense claim and reimbursement rules are compliant with the Broader Public Sector (BPS) Expenses Directive and ensure all expenses claimed and reimbursed are in accordance with these rules;

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- Ensure that any contract between TBRHSC and a consultant or contractor excludes reimbursement for any of the following expenses: hospitality, incidental and/or food expenses as per BPS they are not allowed under any circumstance.

**Both the employee and approval authority must:**

- Correct expense reports that do not comply with policy and/or procedure before they are submitted for processing;
- Document and explain any exceptional necessary expenses incurred outside of policy directives when approval, without prejudice, is granted;
- Ensure expense claims meet the test of being fair and equitable and are able to stand up to scrutiny by auditors and members of the public in consideration of principles defined in policy;
- Ensure reimbursement for only the business portion of the trip at the lowest available fare, when personal travel is combined with business travel;
- Ensure no individual approves his or her own expenses, or that of a subordinate that has paid for travel, meals, etc, expensed to the supervisor's benefit;
- Ensure any expense being reimbursed by another organization is duly claimed, invoiced and payments received, in a timely manner;
- Ensure honorariums and/or other recoveries for employee expenses while on paid worked time are paid to TBRHSC (employees are compensated via Payroll and expenses per this policy);
- Submit resulting approved expense reports for Accounts Payable processing in a timely manner;
- Ensure timely repayment of unexpended travel advances and/or overpayments.

During the pre-approval stage, the arrangements, cost efficiency, method of travel or alternatives to travel, out-of-pocket expenses, cost-sharing arrangements and any need for travel advances must be agreed upon in consideration of the following principles:

- **Accountability** – TBRHSC and all staff are accountable for public funds used to reimburse travel, meal and hospitality expenses, subject to good judgement, knowledge of the situation and compliance with the principles and mandatory requirements set out in this policy and expense rules. All reimbursable expenses must support business objectives.
- **Transparency** – TBRHSC is transparent to all stakeholders, with clear rules, easily understood and available to the public and will comply with any mandated public disclosure requirements. Approved requests and subsequent expense claims will stand up to auditor and public scrutiny with proper explanation and documentation.
- **Value for Money** – Taxpayer dollars are used prudently and responsibly, support TBRHSC objectives and have a sound business case. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety. Other options for meetings, including audio and video conferencing, must always be considered prior to approving travel.
- **Fairness** – Legitimate authorized expenses incurred during the course of TBRHSC business are reimbursed and not in excess of amounts expended.

**Allowable Expenses and Expense Rules**

TBRHSC expects discretion to be applied with any expenses incurred and management reserves the right to limit reimbursement to reasonable costs.

**Travel**

Necessary travel by the most economic means is allowable. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price. Copy of printed or electronic boarding pass or ticket for all modes of transportation should be attached to the expense report.

### **By Air or Train**

Air and/or train travel is permitted if it is the most practical and economical way to travel. An economy or coach class is the standard. The TBRHSC corporate travel agency must be used to book travel arrangements.

### **By Vehicle**

When road transportation is the most practical and economical way to travel, utilize a rental vehicle when a rental vehicle, inclusive of all applicable charges, is more economical than use of a personal vehicle.

### **Rental Vehicle**

Allowable rental car charges, including insurance, are based on a mid size rate for three or less people and a mini-van rate for groups of four or more. In certain situations, there may be variations from this guideline based on safety considerations. Variations require prior approval in writing by the appropriate Approval Authority.

Receipts for gasoline purchases, parking charges and applicable bridge or highway tolls must be submitted with expense reports.

### **Personal Vehicle**

Where able, employees may utilize their personal vehicle to/from TBRHSC and the airport and be reimbursed for mileage and airport parking if more economical than use of taxi. Travel between TBRHSC and to/from an employee's home is not reimbursable except under exceptional circumstances.

Any employee using their personal car for business travel must have insurance coverage of at least \$2,000,000 for both personal injury and third party liability. The employee is responsible for all costs of insurance. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles.

For greater clarity, TBRHSC assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when used for hospital business. Those driving a personal vehicle on hospital business cannot make claims to TBRHSC for damages as a result of a collision.

Reimbursement rate is \$0.41 per kilometre (HR-cba-14) or amount specified in collective agreement. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance.

Where travel by vehicle includes travel of a personal nature or benefit, then consideration of only reimbursing applicable gas receipts should be discussed and agreed at the pre-approval stage.

### **Ground Transportation**

Public transportation, such as subway or bus, including hotel/airport shuttles, should be utilized before taxis when available, efficient, and safe to do so to/from airport, accommodation and meeting or conference sites.

Use of taxis by staff should be reasonable, such as taxi to/from TBRHSC and airport or agreed alternate originating location if closer to airport.

Taxi to/from home will not be reimbursed except under exceptional circumstances; such as well after normal work hours where other forms of transportation from the hospital to/from home are unavailable or determined unreasonable or unsafe due to weather or other circumstance or transport of work-related baggage or parcels is required.

Taxis to/from personal events and activities, including personal choice of restaurants, are not reimbursable.

## Meals

Claims for meals shall represent actual, reasonable, appropriate and necessary expenses, prudent use of public funds, suitable for the time of day and locale in which they were incurred and subject to the following:

- All claims must be supported by detailed receipts;
- Tax and tips (limited to 15%) are included in the maximum allowable amount;
- Alcoholic beverages are not reimbursable, may only be consumed outside of business hours and a separate restaurant check at employee's personal expense must be utilized;
- Meals included in the cost of conference registration, accommodation, or travel are not separately reimbursable;
- Meals eligible for reimbursement on dates of travel are dependent on reasonable travel times in consideration of meeting or event dates and times;
- If travel is started early and/or extended for personal reasons, meals during the extension periods are not reimbursable;
- When an employee is entitled to two or more meals in a day, he/she may exceed the allowable maximum per meal provided the total amount does not exceed the maximum allowed per day based on combined maximum amount of eligible meals;
- If a group of employees are at the same meal, the tab may be paid by the most senior position or else all must pay individually;
- If claim includes meals for other employees, names and departments of those employees must be included;
- If claim includes Hospitality meals, with pre-approval per form FIN-14, the name of individuals and their organizations must be included; and
- Where possible, local working meals are to be provided in-house using hospital catering.

## Meal Rates

Meal Expense Reimbursement Maximum Rates Inclusive of tax and tips (limited to 15%)					
		Breakfast	Lunch	Dinner	Total
Within Canada		\$15	\$15	\$30	\$60
Outside of Canada		<i>Determine reasonable rates for locale and document during pre-approval authorization</i>			
Eligibility Times while in Travel Status	Leave Before	7:00 AM	11:30 AM	6:00 PM	7:00 AM
	Return After	10:00 AM	1:30 PM	7:00 PM	7:00 PM

Example: If an employee is attending a meeting in Toronto from 12 noon to 4 p.m. it is reasonable that they will depart at 9:00 a.m. and return at 7:30 p.m., in which case, they will be eligible to be reimbursed for lunch and dinner as per policy.

## Groceries

Groceries are allowable when staff is required to travel to, and work in, remote locations where restaurants are not available. Receipts are required and are subject to the following maximum rates depending on the time spent in the remote locations; \$8.00 for breakfast, \$12.00 for lunch and/or \$20.00 for dinner. Meals and/or Groceries consumed at home will not be reimbursed.

### **Accommodations**

Cost of a standard hotel room, provided from the night before the seminar up to the last day of the seminar. Staff will normally be expected to return home on the evening of the final day of the seminar. Reimbursement for out-of-pocket expenses of \$40.00 per night in lieu of accommodation charges is allowed for employees who stay with friends or relatives as an option to hotel/motel accommodation. No receipts are required for this amount which recognizes a contribution of food or a gift of hospitality.

### **Other**

Expenses for a group can only be claimed by the most senior person present. Expenses cannot be claimed by an individual that are incurred by his/her approver.

Expenses of a personal nature are not reimbursable such as entertainment of any nature, alcoholic beverages, upgrades, traffic or parking fines/violations, excess personal baggage fees, valet services, laundry or dry cleaning, dependent care or additional expenses related to travelling with a spouse or other guest.

### **Other Incidentals**

Reasonable other incidentals related to business travel expense and necessary office expenditures are allowable such as:

- Telephone calls to conduct business, occasioned by absence from the centre and calls home of a reasonable duration (less than 10 minutes), limited to one per day of travel;
- Gratuities for porter, hotel room service, and taxis via documented and remitted record;
- Internet connections and computer access charges;
- Facsimile and photocopying services.
- Excess baggage fees for display materials

Examples of reasonable amounts for gratuities include:

- 10%-15% on a restaurant meal;
- 10% on a taxi fare;
- \$2-\$5 for housekeeping for two nights in a hotel, up to \$10 for longer stays;
- \$2 per bag for a porter.

The value of gratuities incurred must be written on the receipts to which they relate e.g. restaurant check, hotel invoice. If a taxi receipt already includes the gratuity, the base fare value and gratuity amount should be noted.

### **Consultants and Other Contractors**

Consultants and other contractors shall only be reimbursed for allowable expenses if specified within their written contract with the TBRHSC.

Allowable expenses may include:

- Travel by the most economic means, including airport fees, airport parking and taxi fares as necessary;
- Accommodation costs based on a standard hotel room;
- Rental car charges based on a mid size rate for three or less people and a mini-van rate for groups of four or more;
- Expenses related to printing or production of materials/reports based on the provision of supporting invoices and in accordance with the consultants/other contractors contract;
- Other expenses as contractually committed as part of the consultant or other contractor engagement.

Itemized receipts for contracted reimbursable expenditures are required and must be submitted with each invoice. Approval authorities are accountable to ensure appropriate contract management and

contract terms prior to the provision of service.

In no circumstances will consultants and other contractors be reimbursed for expenses prohibited by the Broader Public Sector Accountability Act including, but not limited to:

- Hospitality
- Food expenses
- Alcohol
- Gratuities
- Laundry or Dry Cleaning
- Valet Services
- Dependent Care
- Home Management
- Personal Telephone Calls

### **Hospitality Expenses and Provision of Alcoholic Beverages**

Hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities to, or for, people who are not engaged in work for the TBRHSC or in work for other BPS organizations or Ontario government ministries and agencies. Functions involving only those people who are engaged to work for the TBRHSC, other BPS organizations or Ontario government are not considered hospitality functions and cannot be reimbursed as such.

Prior to the occurrence of any Hospitality, or events where alcohol will be provided, a Business Plan for Provision of Hospitality or Alcohol (Form FIN-14) must be submitted by the most responsible administrator for approval at the Executive Vice President level or CEO level if an EVP is the most responsible administrator and Board Chair if requester is CEO.

Provided there are appropriate budgeted funds, Hospitality may be pre-approved when:

- It will facilitate TBRHSC business or is considered desirable as a matter of courtesy and is extended in an economical, consistent and appropriate way;
- It is extended on behalf of the TBRHSC when conducting after hours business meetings and recruitment functions with clients or guests external to the organization present;
- It is for executives or employees with public relations responsibilities;
- A reasonable ratio of staff to persons who are not engaged to work for the hospital, other BPS or provincial government is demonstrable.

Where hospitality events are extended and where guests include current or prospective vendors, approvers and managers are responsible to ensure the event does not give, or is not perceived to give, preferential treatment to any vendor.

Likewise, staff must ensure that they avoid the appearance of impropriety or favouritism when accepting hospitality from current or prospective vendors for dinners and/or speaking engagements, and ensure any conflict of interest obligations are not violated. All such vendor hospitality must be disclosed to Supply Chain management. Additionally, employees must seek appropriate approval from the next level of authority before accepting hospitality such as sporting events or entertainment.

Office social events, retirement parties, and staff holiday lunches are not considered hospitality functions and therefore cannot be expended as such. The costs must be covered by staff and the activities should take place during a time period that does not disrupt regular TBRHSC operations.

Due to organizational impacts, budget, consistency and other human resource implications, Managers must consult with Human Resources (HR) to determine allowable reimbursable employee recognition expenses, if any, outside of HR initiated or hosted events. This includes consulting with HR on attendance/participation draws/prizes. HR is the only TBRHSC department with a functional

mandate and budget for employee recognition. The awarding of any TBRHSC financed recognition gifts must be designed in conjunction with Human Resources and compliant with Canada Revenue Agency rules.

With appropriate approval authority and sufficient budgeted funds, catering, including alcoholic beverages, may be provided at a TBRHSC-wide event to honour employees, volunteers and/or medical staff or for other special events as approved under the Business Plan Approval Process outlined within this policy. Participant names are not required for a TBRHSC-wide catered event.

Hospitality may include the provision of alcoholic beverages with a meal or during a reception. Alcohol should be provided in a responsible manner considering cost and amount and preference should be given to wine, beer and spirits produced in Ontario. When pre-approved, reimbursement for the cost of alcohol is permitted for hospitality events.

Individuals are required to request separate personal receipts for any non-reimbursable personal alcoholic beverages purchased at the same time as eligible reimbursable meals or during a hospitality events unless pre-approval for the hospitality, including alcohol, has been obtained.

If the provision of taxi service is being considered at a hospitality event, the Business Plan must identify the expense for consideration of the approvers. Only pre-approved taxi costs for an attendee to travel home from a hospitality event or an event where alcohol is provided will be an allowable expense.

Detailed itemized receipts outlining the types of expenses as well as applicable taxes and gratuities are required with Hospitality expense claims. Additionally, the number, names and organizations of the participants must be noted on the receipt or in an attachment to the receipt.

### 3. SCOPE

This policy applies to board members, employees, consultants, contractors, volunteers and other appointees while on approved TBRHSC business or educational programs/conferences. This policy is applicable to all staff on TBRHSC paid activities even if travel expenses and/or other costs are being funded by another organization. When compensation is provided by TBRHSC, TBRHSC policies take precedence.

### 4. DEFINITIONS

**Broader Public Sector Organizations:** every hospital; school board; university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, where enrollments are counted for purposes of annual operating grants and entitlements; every approved agency designated as a children's aid society, community care access corporation; every corporation controlled by one or more designated BPS organizations that exists primarily for the purpose of purchasing goods or services for designated BPS organizations; and every publically funded organization that received \$10 million or more of provincial public funds in the prior fiscal year.

**Consultant:** A person or entity that, under an agreement other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making. Consulting services must be determined by the nature of the service being procured and not by the designated profession being represented. Organizations must clearly delineate between professionals providing expertise or strategic advice for consideration and decision making and professional services outside of this scope.

Otherwise, services which in Ontario, by legislation or regulation, may only be provided by the following licensed professionals: medical doctors, other health professions, engineers, land surveyors, architects, accountants, lawyers and notaries, does not constitute consulting services.

**Contractor:** A person or firm that contracts to furnish supplies or perform work at a certain price or rate. Work may be performed on or off site but generally uses other agency equipment and process is not supervised by TBRHSC. Results are generally outcome driven. Examples are course trainers and conference facilitators.

**Hospitality:** The provision of food, beverage, accommodation, transportation and/or other amenities at public expense to people who are not engaged in work for the government of Ontario or BPS.

**Itemized receipt:** An original document, or carbon or certified copy, proof of payment, with the details of the expenditure, quantities, applicable taxes, date and time.

**Persons Engaged to Work for TBRHSC:** A person, entity or agent under a purchased service agreement or contract engaged to work for TBRHSC, where similar to an employee relationship, hours of service are known, on-site, using our equipment and generally supervised/controlled by TBRHSC. The provincial government have deemed arbitrators to be agents, similar to contract employees. Therefore, unless there is a specified “employment/service” contract, reimbursement is limited to TBRHSC policy, terms and conditions.

## 5. PROCEDURE

- 5.1 Employee completes the Pre-Approval section of form FIN-10 Employee Reimbursable Course/Conference/Travel/Hospitality Expense Report with conference/meeting and location details including expected dates of travel, identifying if a travel advance is required, and identifying meals not eligible for reimbursement due to inclusion in conference/meeting registration, travel and/or accommodation.
- 5.2 Employee completes and submits form FIN-14 Business Plan for Provision of Hospitality or Alcohol at an Event if requesting pre-approval for Hospitality or a Hospitality event. The form is submitted for review to next level(s) of supervision and must ultimately be submitted to an Executive Vice President level or CEO level and Board Chair if requester is CEO. (Pre-approved forms must be submitted with subsequent approved event/expense claims.)
- 5.3 Approvers review and discuss requests with requestors to ensure sufficient detail and clarity of what are and are not allowable reimbursable expenses compliant with policy. Discuss any intended personal travel in conjunction with business travel and impacts on making travel arrangements and determination of eligible expenses. If travel is for out-of-country, determine and document appropriate individual meal and daily meal maximums reasonable and appropriate for locale. Discuss any related third party funding or recoveries to TBRHSC to offset travel expenses.
- 5.4 Employees begin making travel arrangements, sufficiently in advance, to acquire most economic rates and only when pre-approval has been obtained. Employees must utilize designated TBRHSC travel agents and internal resources, such as internal catering, wherever possible.
- 5.5 If approved for a travel advance, submit a copy of the completed and approved form FIN-10 Travel Advance section to Accounts Payable for processing. The employee keeps the original signed form for subsequent completion following travel.
- 5.6 Immediately upon return to work, or completion of a hospitality event, complete the Expense Report and Claim section of the original approved form and include details of meals by calendar day. Attach itemized receipts, boarding passes/tickets, conference registration identification, participant lists and other documentation as required. Credit or debit card slips are not receipts and are not sufficient documentation for expense reimbursement.
- 5.7 If travel is being reimbursed by another organization, the employee also completes the other organization’s expense report or claim or prepares an invoice for same and attaches an invoice or claim copy to their completed form FIN-10.



- 5.8 If the expenditures are to be funded by donations made to the TBRHS Foundation, the Expense Report must be attached to the appropriate TBRHS Foundation form and submitted as per procedures communicated by the TBRHS Foundation.
- 5.9 Employee submits completed expense report and all attachments to their supervisor, or approval authority, for review and discussion. Expense reports that do not comply with policies and procedures will be returned to the employee and not approved until corrected and/or the supervisor will correct or amend the report initialling any changes and limiting expenses to reasonable amounts.
- 5.10 Employee must disclose any exceptions or discrepancies from policy to the supervisor for discussion if they are seeking reimbursement for same as qualifying TBRHSC business expenditures. In extenuating, unusual, unavoidable or uncontrollable circumstances, the supervisor may approve amounts beyond policy limits or maximums provided such amounts are identified, reasonable, and will stand up to scrutiny. The rationale for the exception must be noted in the expense report and initialled by both the supervisor and the employee and approved without prejudice.
- 5.11 When approved, the employee and/or supervisor, submits the completed and approved expense report package to Accounts Payable for processing including pre-approved FIN-14 Business Plan for Provision of Hospitality or Alcohol at an Event, if applicable.
- 5.12 Accounts Payable will only process complete, accurate and authorized expense reports. Accounts Payable will review all expense claims for accuracy. Accounts Payable will correct amounts due to minor discrepancies and/or addition errors. Incomplete or unauthorized expense reports that do not comply with policies and procedures and/or are not supported by sufficient itemized receipts will be returned to the staff member and/or approving authority and not processed until corrected.
- 5.13 Where there are uncertainties, inconsistencies and/or concerns with policy compliance, Accounts Payable will ask the Manager, Accounting and Management Reporting, to review the expense claim. Further consultations may take place with the Director, Financial Services and/or Executive VP Corporate Services and Operations. Reviews will include discussion and additional correspondence with the approval authority and/or next level of authority. Inconsistencies with policy and subsequent reviews will delay processing and reimbursement to the employee.
- 5.14 Accounts Payable files and maintains all reimbursed expense claim reports for a minimum seven year period. In general, expense information is subject to internal and external audits as well as required public reporting and Freedom of Information inquiries.

## **6. RELATED PRACTICES AND/OR LEGISLATIONS**

Broader Public Sector Accountability Act, 2010 - Broader Public Sector Expenses Directive – Part III  
Public Reporting of Expense Claim Information and Part IV Expense Claims: Allowable Expenses  
Ontario,  
Broader Public Sector Expenses Directive, April 2011  
Freedom of Information and Protection of Privacy Act

## **7. REFERENCES**

Management Board of Cabinet, Travel, Meal and Hospitality Expenses Directive, April 2010  
Ontario Hospital Association Hospital Expense Policy Guidelines, March 2011  
ORNGE Travel, Business Expense and Hospitality Reimbursement Policy, August 2011  
PAT-1-37 Air Escorts, April 2007  
HR-t-07 Retirement Teas