

Title:	Travel, Meal, Event and Hospitality Expense Policy		
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Section:	Finance		
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Developed by: (Title)	VP, Finance and CFO	Owner: (Title)	VP, Finance and CFO

POLICY:

Staff who incur expenses while on hospital business will be reimbursed. Reimbursable expenses should support the program objectives and strategic plan of the hospital and be supported by original receipts and/or documentation. Expenses that do not comply with the policy guidelines may be returned and not processed until corrected.

Reimbursement of expenses will be based on the Broader Public Sector (BPS) Expenses Directive and the following principles:

- **Accountability:** Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.
- **Transparency:** Organizations are 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:** Taxpayer dollars 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.
- Prohibition on reimbursements of meal and hospitality expenses for consultants and other contractors.
- Rules for hospitality events paid out of public funds to people who are not engaged to work for designated BPS organizations (i.e., covered by the directive), or any Ontario government ministries, agencies and other public entities.
- Good record keeping practices
- Rules for individuals making claims and individuals approving claims.
- Public posting of expenses of claimed by designated individuals.

All staff are responsible for informing themselves of the requirements of this policy. Managers, Directors, Chiefs, Vice-Presidents, Executive Vice-Presidents and the CEO are responsible for ensuring compliance prior to approving the expense claim

DEFINITION(S):

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 as authorized by the appropriate level of authority.

Business Travel:

Travel required for hospital business and authorized by the appropriate level of authority.

Consultants:

Persons providing services to the hospital on an independent contractor basis, and who are not employees of the hospital. For greater clarity, consultants are not to be considered "staff"; that term is defined below.

Corporate Events:

Hospital wide events organized for staff and considered to be work related. For further clarity, these typically include events such as seasonal celebrations, awards ceremonies, formal recognition events.

Hospitality:

The provision of food, beverage, accommodation, transportation and other amenities at the hospital's expense.

Office:

The hospital-related regular place of work. For example, the address on a staff person's business card or where the staff person has an office, desk, computer, telephone etc.

Original Receipt:

An itemized document, with the vendor name and details of the expenditure, the amount, the date, applicable taxes and proof of payment (i.e., identifies payment as cash, debit or credit card).

Personal Vehicle:

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

Plexxus:

A shared service organization providing transactional and strategic procurement and payables services.

Staff:

For the purposes of these Guidelines, "staff" includes all hospital employees, credentialed staff, volunteers, Board of Directors, outsourced service staff and other individuals engaged in hospital business and who may claim travel and expense reimbursement under this policy.

PROCEDURE:

- Written approval is required for the following **before** any travel arrangements are made using the appropriate form, if available:
 - Travel outside the Greater Toronto Area that requires accommodation
 - Hospitality events involving alcohol.
- Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.

- Expenses can only be approved by the person's immediate supervisor or above and in accordance with the hospital's signing authority thresholds. Expenses cannot be approved by the person making the claim.
- Approvers should consider whether the request is:
 - Able to stand up to scrutiny by auditors or members of the public;
 - Properly explained and documented (original receipts should be included except for kilometer expenses)
 - Fair and equitable
 - Reasonable
 - Appropriate
- Expenses are supported by an original, itemized receipt.

PROCEDURE

Responsibilities of Claimants:

Claimants must:

- Submit all expense claims on a timely basis, and no later than three months after the expense was incurred;
- Attach original receipts to support expense claims;
- Provide descriptions for expenses claimed;
- Report any taxable benefits to the Canada Revenue Agency (CRA);
- Become familiar with, and adhere to, the provisions of this Policy; and
- Follow applicable conflict of interest rules and/or policies.

Responsibilities of Approval Authority:

Those authorized to approve expense claims according to the Signing Authority & Delegation Policy must:

- Ensure that staff are aware of the requirements of this Policy;

- Take appropriate action in the case of non-compliance;
- Ensure that expenses are consistent with the principles of this Policy (work-related, modest and appropriate, and strike a balance among economy, health & safety, and efficiency of operations) and comply with Hospital Policy;
- Determine and authorize when business travel is necessary;
- Ensure that all travel arrangements are consistent with the provisions of this Policy;
- Ensure that appropriate receipts are provided to support expense claims, and that claims documentation is complete prior to authorizing payment;
- Ensure that expenses are appropriately coded to the right expense code (i.e., conference, meals, travel expense categories);
- Ensure that employees are aware of all conflict of interest rules and/or policies;
- Ensure that expense claims are able to stand up to scrutiny by auditors or members of the public; are properly explained and documented; are fair and equitable; and are reasonable and appropriate.

Public Disclosure of Expenses:

Information about expenses will be posted on the hospital's public website for the designated individuals and must comply with this policy and the Broader Public Sector Guidelines.

Designated persons include:

- CEO
- Senior staff reporting directly to the CEO; and
- Board of Directors

POLICY ADMINISTRATION:

Expense Reimbursement

A. Non-Reimbursable Expenses

Expenses of a personal nature will not be reimbursed. Such expenses include but are not limited to the following expenses:

- Recreational purposes (e.g. video rentals, mini-bars, entertainment not directly related to hospital business, etc.);
- Personal items not required to conduct hospital business;
- Traffic and parking violations or unlawful conduct;
- Social events that do not constitute hospitality as described below;
- Expenses incurred because of failure to cancel reservations or other ancillary charges;
- Alcoholic drinks, unless part of hospitality as described below;
- Friends or family members, unless part of hospitality as described below;
- Hospitality expense incurred by consultants;
- Membership fees for reward programs or club memberships; and
- Expenses incurred due to the presence of family or friends.

B. Receipts

- Original receipts (not photocopies) must be submitted with all claims unless otherwise indicated in this Policy. **Credit card transaction slips by themselves are insufficient to support a claim for reimbursement.**
- The claim should state clearly to whom the payment should be made and the business purpose of the expense.
- Managers or persons approving the claim are responsible for ensuring that original receipts are attached and the expense claim is filled out in full with the appropriate required information.

C. Enforcement

- Persons approving claims for reimbursement are responsible for monitoring compliance with this Policy.

- Approvals can only be granted in accordance with the hospitals Signing Authority and Delegations policy.
- Approvers are accountable for their decisions, which must be subject to good judgement and knowledge of the situation. If the approval is granted and is outside the guidelines of this policy, the rationale must be documented with the claim and signed by both the individual and their manager.

D. Expense Reimbursement Forms

- Reimbursement forms as established by Plexxus must be used for reimbursable expenses.
- A hard copy of the form should be accompanied with original, itemized receipts.
- The claim should clearly state to whom the payment should be made and the business purpose for the expenditure in the 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 of those other individuals should be included (a separate sheet can be attached, if necessary).
- The form should be signed by the staff member requesting reimbursement and the member of staff's immediate supervisor if the total is within their authorization limit. It should include a valid department (functional center) code and expense account code.

E. Petty Cash

- The purpose of petty cash is to facilitate reimbursements for small departmental purchases or expenses up to and including \$50.00.
- Expenses cannot be split into amounts lower than \$50.00 to enable multiple petty cash reimbursements **within the same two-week period** by the same staff member.
- Multiple requests for reimbursements of expenses under \$50.00 by the same staff member within a two-week period will result in a delay in payment and a notification to the staff member's Manager/Director and the Vice President, Finance & CFO.
- All petty cash reimbursements must use the expense reimbursement form (on the Plexxus portal) and must be accompanied by original itemized receipts. The form must be fully

completed as per the instructions in section D of this policy. The form does not need to be sent to Plexxus.

F. Procurement Card

- Procurement cards are only issued to Executive Assistants, Directors, Chiefs, Vice Presidents, Executive Vice Presidents and the CEO. Exceptions are made for managers where applicable and approved by the Vice President, Finance & CFO.
- Requests for exceptions may only be made by a Director, Chief, Vice President, Executive Vice President or the CEO and authorized on the application for the procurement card.
- The hospital's *Procurement Card Policy* outlines the terms and conditions of the use of procurement cards.
- All procurement card statements must be reconciled using the online portal and have the appropriate receipts attached by no later than the 30th of the month.

G. Time Limit for Claims

- All expense claims must be submitted on a timely basis, and **no later than three months** following the date the expense was incurred.

H. Travel

Prior approval by the appropriate authority is required for all business travel outside Ontario using the *Travel Authorization Form (located under the Finance section of Frequently Used Forms)*.

The mode of transportation chosen (air, train, car) should be that which enables the staff member to travel for business related purposes at the least cost, least amount of interruption to the staff member's regular business, personal schedule and personal safety. Basic economy/coach fares are considered reimbursable and upgrades will be the responsibility of the staff member. When personal travel is combined with business travel, only the expenses incurred for the business portion of the trip will be reimbursed. Personal travel does not include travel to and from the staff member's residence when travelling for business.

If there is a change in itinerary, the traveler is required to:

- notify approver;

- submit a revised travel authorization form.

I. Travel by Vehicle

When road transportation is the most practical and economical way to travel, the order of preference should be:

1. Rental vehicle when it is more economical than use of a personal vehicle. A rental vehicle can only be used for travel if it is pre-approved **and** for distances greater than 100 km one-way. or,
2. Personal vehicle when it is more economical than use of a rental vehicle.

J. Rental Vehicles

- Approved vehicles for rental are compact or mid-size vehicles. All luxury and sports car rentals are expressly prohibited.
- Collision and liability insurance offered by the car rental companies should be purchased.
- Rental cars must be refueled before returning to avoid extra charges.
- Receipts for gasoline purchases, parking charges and applicable bridge or highway tolls must be submitted with expense reports.

K. Personal Vehicles

- Personal vehicles used on hospital business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage should be equal to or greater than the minimum liability specified in the *Insurance Act*. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles. The hospital will not reimburse costs of collision and liability coverage.
- For greater clarity, the hospital 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 will not be allowed to make claims to the hospital for damages as a result of a collision.
- Staff using their own vehicles for hospital business will be reimbursed in accordance with

the hospital's kilometric allowance. The hospital will not be responsible for deductible amounts related to insurance coverage.

- Business travel mileage reimbursement must be calculated from the employee's place of employment, unless the distance is shorter from the employee's place of residence and they leave directly from their residence on business travel.
- Those driving a personal vehicle cannot make claims to the hospital for damages as a result of collision, accidents or malfunctions.
- The cost of travel with the staff member's own vehicle should not exceed the cost of alternative forms of transportation.

L. Travel Between Sites

- The cost of transportation between an employee's residence and any of Mackenzie Health's sites is not reimbursed.
- Staff travelling between sites are eligible to be reimbursed based on the distance travelled between sites.
- Employees are not reimbursed for parking at any of the MH sites.

M. Taxis

The use of taxis by staff should be reasonable in the circumstances. Examples of when taxis may be appropriate include:

- situations requiring transportation between stations or airports and Mackenzie Health sites;
- situations requiring transportation between stations or airports and a staff member's home;
- transportation from MH sites to home well after normal work hours where other forms of transportation (including public transit) are unavailable or are determined to be unreasonable or unsafe;
- transportation home from a staff event, or an event supporting MH business;

- and, when it is at the discretion of a staff member's direct Manager.

N. Travel by Train

- Travel by rail (economy class) is permitted when this is the most practical and economical way to travel. Wherever possible, travel should be made in advance to ensure availability of economy class seats and the best price.

O. Travel by Air

- Staff may travel by air for trips that are beyond reasonable driving distance.
- Travel must be arranged in advance and be booked by fixed dates.
- Prior approval for all travel by air must be obtained and documented in writing using the *Travel Authorization Form*.
- Staff must travel Economy class for all domestic and international travel.
- Fees for advanced seat selections or preferred seating are not reimbursable.
- Luggage fees, where imposed, are reimbursable for one piece only.
- Every effort should be made to book in advance to take advantage of discounted fares.

P. Accident Reporting

All accidents must be reported immediately to local law enforcement authorities and your immediate supervisor. In addition:

- If you are using a rental vehicle, advise the rental car agency;
- If you are using a personal vehicle, advise your own insurer.

Q. Parking and Tolls

- Reimbursement is provided for necessary and reasonable expenditures on parking, as well as tolls for bridges, ferries, and highways (outside of Ontario), when driving on hospital business.
- **The use of Highway 407 (ETR) is restricted and not reimbursable unless specifically agreed upon within the individual's employment agreement.**
- In other jurisdictions (mainly the U.S.), tolls highways are inevitable and not restricted.
- Parking costs incurred as part of a regular commute to work will not be reimbursed.
- There is no reimbursement for traffic or parking violations.

R. Medical/Health Insurance

- Employees traveling for business will not be reimbursed for the cost of privately arranged medical/health insurance for travel within Canada since coverage in the event of illness, injury or death is provided through government health insurance plans.
- Travelers will be reimbursed for the cost of privately arranged medical/health insurance purchased for travel outside Canada only if they are not members of the hospital's employee health benefits. A receipt of the premium paid must be retained to support the expense claim.

S. Meals

Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. There are no exceptions to this rule.

- Staff 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 or her place of work on hospital business.
- Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses. Reasonable gratuities will be reimbursed.
- Reasonable and appropriate meal expenses may be reimbursed for business meetings

over a normal meal period, subject to the approval based on level of signing authority. These meal expenses are expected to be in accordance with the principles outlined in the Policy Statement on Page 1 of this document. Original receipts, with itemized list of expenditures and business purpose of expense are required to support the claim.

- 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.
- If travel is a regular part of one's job, meals will not normally be reimbursed unless under exceptional circumstances and prior approval has been obtained.
- 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. Generally, the highest-ranking member of staff should pay for the meal expenditures unless this is not practical in the circumstances.
- No alcoholic beverages are reimbursable unless they are part of a hospitality event.
- All claims must be supported by an original receipt. A credit card receipt (that does not identify purchase details) is not sufficient supporting documentation for reimbursement.
- Department/unit events held onsite to recognize staff achievements and accomplishments may be held, subject to sufficient budget. These events must use internal catering services unless under exceptional circumstances (e.g., religious or dietary needs that cannot be accommodated by the hospital's internal catering service).

T. Per Diems for Meals and Beverages

- Per diem rates are generally permitted for periods when travelling on hospital business in excess of two days.
- Per diem rates must be reasonable in the circumstances. As a guideline, and depending on the nature of costs and the exchange rate of the travel destination, per diem rates must approximate the following:
 - Canadian destination - \$100
 - U.S. destination - \$100
 - International destination – determined jointly by staff member and the approver using the principles outlined in the Policy Statement section of this policy.

- Expenses will be reimbursed on actual receipts. If request for reimbursement exceeds the daily limit, the receipt should be initialed by the approver.

U. **Accommodation**

- When overnight accommodations are required as part of business travel, staff will use the most economical accommodation available in a standard room that is convenient to the event being attended. No reimbursement shall be made for suites, executive floors or concierge levels.
- Reimbursement for overnight accommodation within the hospital area will not normally be authorized. Exceptional or emergency situations that require personnel to remain close to the hospital for long periods in excess of normal working hours, such as extended collective bargaining sessions, hazardous weather conditions or pandemic outbreaks may be considered. Approvers may apply discretion within the parameters of this policy when approving claims related to accommodation within the hospital area.
- Staff are responsible for reviewing 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.
- Non-reimbursable accommodation expenses include entertainment, laundry services, pay TV or movies, personal toiletry items, alcohol, or special facility charges (e.g., fitness club).
- Reimbursement will be made for reasonable long-distance business and personal calls.
- While travelling on hospital business, additional business expenses not otherwise covered will be reimbursed, such as Wi-Fi charges, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to hospital business.
- The hospital expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

V. **Tips/Gratuities**

Reasonable gratuities for meals, bellhop, hotel room services, and taxis will be reimbursed. If a gratuity/tip is not recorded on the receipt, a record of gratuities paid must be kept.

Examples of reasonable amounts for gratuities include:

- 15%-18% on a restaurant meal

- 10% on taxi fare
- \$2-\$5 per night for housekeeping in a hotel
- \$2 - \$5 per bag for a porter.

W. Cash Advances

The hospital will not issue cash advances. Those covered under this policy are expected to follow the guidelines as outlined for approval and submission of expenses related to hospital business.

X. Hospitality Expenses

- 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 should be extended in an economical, consistent, and appropriate way when it will facilitate hospital business or is considered desirable as a matter of courtesy.
- Hospitality may be extended on behalf of the hospital when:
 - Engaging representatives of other hospitals, governments, the broader public sector, industry, public interest groups or unions in discussions on official matters.
 - Providing persons from national or international organizations and charitable organizations with an understanding and appreciation of the hospital sector or the workings of the organization.
 - Sponsoring formal conferences for representatives of health service provider organizations or for government, business, or labour groups.
 - Honoring distinguished persons from the health care sector in recognition of exceptional public service.
 - Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private sector, or both.
 - Conducting business with members of the Mackenzie Health Board of Directors.
- Functions that are exceptions to the above must have prior approval of the President & CEO or his/her delegate.

- The decision to provide alcohol as part of hospitality should be made by the President & CEO or his/her delegate and is limited to meals and receptions. No alcohol is permitted for any departmental or non-corporate events. Alcohol cannot be served unless accompanied by meal services and taxi chits must be made available at the event.
- Where hospitality events are extended by the hospital, 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.
- Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest and may therefore be prohibited. Managers are responsible for ensuring that employees and appointees are aware of their conflict of interest obligations.
- Staff attendance on behalf of a hospital at various third party events, including but not limited to sporting events, entertainment, dinners or speaking engagements, must not violate the hospital's conflict of interest obligations, nor should such attendance *appear* to violate those obligations.

All hospitality expenses must be documented and include original itemized receipts. The claim must include event details regarding purpose of the event, date and type of hospitality (e.g., dinner, reception, etc.).

Y. Consultant Expenses

Consultants and other contractors will not be reimbursed for any hospitality, incidental or food expenses, including:

- Meals, snacks and beverages
- Gratuities
- Laundry or dry cleaning
- Valet services
- Dependent care
- Home management
- Personal telephone calls

Consultants will only be reimbursed for allowable expenses explicitly agreed to by the consultant and the hospital and as detailed in the consultant's contract. Allowable expenses typically include kilometer and parking expenses. Parking expenses must be accompanied by a valid receipt as per this policy.

Z. Staff, Physician and Volunteer Events (including Board and Board Committee events)

All events must be approved by the President & CEO or his/her delegate. These events are not considered hospitality as defined in this policy.

The following are examples of events that may be funded by the hospital:

- Staff and Physician Service Awards
- Employee Recognition
- Board of Directors Recognition
- Retirement events recognizing service to Mackenzie Health for 25 years or more
- The achievement of significant goals and priorities of Mackenzie Health (e.g., accreditation success; completion of major redevelopment projects)
- Holiday Event:
 - The hospital will have one major holiday reception each year to be held at a banquet hall in the vicinity of the hospital sites.
 - The amount to be spent per staff member on the major holiday reception will be determined by the Senior Leadership Team.
 - The decision to provide alcohol at the holiday reception must be approved by the Senior Leadership Team. If alcohol is provided, taxi cabs must be made available on the night of the event.
- Other major staff events (e.g., annual BBQ) are organized through the hospital's events team and must be approved by the Vice President, People Services & CHRO.

If, in addition to an annual major holiday reception, individual departments and/or units/teams wish to hold their own holiday event and/or other social activities during the year, the costs are to be covered by the staff and the activities should take place during a time so as not to disrupt the regular operations of the hospital.

AA. Gifts

- Token gifts of appreciation from a manager, valued at up to \$100, may be extended to staff as long as the total is within their authorization limit (and does not exceed budgeted expenditures). Gift values above \$100 must be justified and approved by the Senior Leadership team member of the program or service area.
- Token gifts of appreciation for any value may NOT be extended by a patient to a clinical staff member.
- "Gifts" include flowers, cards, gift certificates, gift cards, etc. but may not include cash or

cheques and must adhere to current CRA rules

- Alcohol may not be given as a gift (e.g. bottles of wine or other spirits, gift certificates for the LCBO, Beer Store, wine store, etc.).
- Gifts may include recognition (e.g., flowers) of the death of a staff, physician or volunteer member or their family.

REFERENCES:

Management Board of Cabinet, *Broader Public Sector Expenses Directive Effective April 2011*, Ontario

Ministry of Government Services, *Travel, Meal and Hospitality Expenses Directive*. January 1, <https://www.ontario.ca/document/travel-meal-and-hospitality-expenses-directive> (accessed April 2020).

Ontario Hospital Association, *Hospital Expense Policy Guidelines*, Toronto, March 2010