

Administrative Policy and Procedure Manual

Policy & Procedure: Finance – Travel, Meal, Hospitality Expense	
Developed By: Chief Financial Officer	Number: 1-5-640
Date of Origin: March 11, 2011	Review or Revision Date:
Approved By: Senior Management Team	

POLICY STATEMENT

The purpose of this policy is to set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices; and to provide a framework of accountability to guide the effective oversight of resources in the reimbursement of expenses.

This policy sets out the rules for claiming reimbursement for work-related travel, meal and hospitality expenses as required under the Broader Public Sector (BPS) Expenses Directive issued by The Management Board of Cabinet, effective April 1, 2011.

In addition, every funding agreement between the hospital and a Ministry or Agency of the Government of Ontario is deemed to include the requirement of the BPS Expenses Directive.

METHOD

1.0 APPLICATION AND SCOPE

The expense rules apply to any person in the organization making an expense claim, including the following:

- Board members;
- Employees;
- Volunteers;
- Members of the Medical Staff;
- Consultants and contractors engaged by the organization, providing consulting or other services;
- Elected officials; and
- Appointees;

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The policy does not prevail over legislation or a collective agreement. between the hospital and a bargaining agent representing employees of the hospital.

2.0 PRINCIPLES

The expense policy is based on four key principles.

- **Accountability**
- The hospital is accountable for funds used to reimburse travel, meal and hospitality expenses and to ensure that these expenses support hospital objectives.
- **Transparency**
- Hospitals 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**
- Resources 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 hospital business are reimbursed.

3.0 MANDATORY REQUIREMENTS – GENERAL

- Written approval is required for the following *before* any arrangements are made.
 - International travel, and
 - Hospitality events involving alcohol.
- Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- Hospitality is provided only when the event involves people from outside the hospital. Functions involving only people who work for the hospital (all those covered by this policy) are not considered hospitality functions.
- 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 (e.g., the CFO)

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cannot submit the CEO’s claim for lunch even if they were at the same event, with the result that the CEO would thereby approve his/her own expenses).

- Good record-keeping practices must be maintained for verification and audit purposes.

Claimants must:

- obtain all appropriate approvals as per this policy before incurring expenses; if no prior approval was obtained, then a written explanation must be submitted with the claim;
- submit original, itemized receipts with all claims (credit card slips are not sufficient). If there is not an itemized receipt, a written explanation must be submitted to explain why the receipt is unavailable and a description itemizing and confirming the expenses must be provided;
- submit claims by the end of the month following the month in which the expense was incurred; a written explanation is required if not submitted within this timeframe;
- if the information above is not available or is not possible submit a written explanation with the claim to provide the approver with adequate information for decision making.
- if leaving employment with the hospital, submit claims for expenses before leaving the hospital

Approvers must:

- provide approval only for expenses that were necessarily incurred in the performance of hospital business;
- provide approval only for claims that include all appropriate documentation (e.g., original itemized receipts);
- not approve their own expenses.

Note that should there be a situation where there is an overpayment to a claimant, it is considered a debt owing to the hospital and must be repaid.

4.0 ACCOUNTABILITY FRAMEWORK

This section sets out the approval authority for travel, meals and hospitality expenses. The level of approval is identified and also whether the authority can be delegated.

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A CEO has the authority to establish additional rules regarding expenses. Any additional rules must be consistent with those laid out in the BPS Expenses Directive and be necessary to meet specific operational needs. These rules do not replace any rules in the BPS Expenses Directive.

In addition, the CEO may modify the level of approval upward to a more senior level when authority is assigned to a Manager/Supervisor or Contract Manager.

Role	Approval Level	Delegation of Authority
Chair of the Board	CEO	No delegation
Board Member	Chair of the Board	May delegate to the CEO
CEO – Automotive/Invoiced	HHS Liaison	No delegation
CEO - Other	Chair of the Board	No delegation
Senior Management Team (SMT)	CEO	No delegation
Leadership Team	VP’s/CHRO/CFO	Delegate to another SMT member
Supervisor	Manager	May delegate to a SMT member
Employee	Manager/Supervisor	May delegate to a SMT member
Consultant and Contractors	Contract Manager	May delegate to a SMT member
Volunteers	CEO/CHRO/VP’s/CFO	Delegate to another SMT member
Members of the Medical Staff	CEO/VP’s/CHRO/CFO	Delegate to another SMT member
Elected Officials	Chair of the Board	No delegation
Appointee	Chair of the Board	No delegation

HHS – Hamilton Health Sciences

In the case where individuals are temporarily acting in positions with approval authority, they can exercise the full authority of the position provided that they do not approve their own travel plans or expenses.

4.1 Managerial Discretion

For the purpose of this policy, managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with this policy. There is no discretion to depart from the principles and the mandatory requirements of the BPS Directive. All decisions should be taken very carefully.

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When exercising managerial discretion, the rationale must be documented and filed with the claim.

Approvers are accountable for their decisions, which must be:

- subject to good judgment and knowledge of the situation;
- exercised in appropriate circumstances; and
- comply with the principles and mandatory requirements set out in this policy.

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

It is the responsibility of both the approver and the claimant to work out appropriate arrangements which would meet the test of being fair and equitable.

4.2 Public Disclosure of Expense Rules

The expense rules must be posted on the hospital’s website, so they are available to the public. The rules must be available in accessible formats.

5.0 TRAVEL

This section applies whenever travel is required.

Travel does not refer to a person’s regular commute to work – expenses related to a person’s regular commute are not reimbursable.

5.1 When travel is a part of the job

There are some jobs where frequent travel is a requirement – part of the regular job duties.

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On hiring, managers should ensure staff are aware of the policy and how it will affect their job. In these situations, approvers should meet with the employee to determine appropriate strategies (e.g. pre-approval for frequent or regular travel which may be noted in the offer letter or job description, when meals can be reimbursed, use of vehicles, etc.).

The hospital with jobs that require regular travel need to ensure that the policy is utilized in a consistent manner so that managers and employees have a common understanding of how the policy is applied.

5.2 When travel occurs every now and then

In the majority of positions travel usually occurs irregularly on an as-needed basis; for example, to attend training, meetings, conferences or consultations; representing the hospital at an event; etc. In some cases, employees will be asked by their managers to travel, and in others, the request may come from the employee.

5.3 Before Travelling

There is a process to follow for all people wishing to be reimbursed for travel expenses.

- As a best practice, obtain prior approval for any travel when travel occurs every now and then
- If there is a change in your itinerary, you should:
 - report any changes to your approver as soon as possible
- Choose the most cost-effective accommodation or method of travel
- Economy (coach) class is the standard option, and an approval is required for any other type of fare
- Consult with your approver to ensure that your travel arrangements include accommodation for any special needs.
- Secure passports, visas, immunizations, medications, as appropriate before you travel.

When planning any travel, consider business continuity (e.g., deciding whether senior management or people with specialized knowledge or expertise should travel together).

Insurance

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Vehicle Insurance

Using a Personal Vehicle

If you use your personal vehicle while on hospital business, the following apply.

- 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.

In situations where you rent a vehicle, you should purchase the collision damage waiver coverage offered by the rental company. The insurance costs can be claimed as a travel expense.

Medical and Health Insurance – Traveling Outside of Canada

You are responsible for arranging appropriate out-of-country medical insurance.

The cost is reimbursable.

When purchasing out-of-country medical insurance, it is advised that you also purchase the option that allows for immediate payment of costs at the time of the incident (i.e., up-front payment option)

5.4 Transportation – How to Get There

Airplane

Air travel is permitted if it is the most practical and economical way to travel.

Economy (coach) class is the standard option for ticket purchase. Travel in business class must have prior approval by CEO, and may be considered in the following circumstances:

- on international flights; or
- on flights within Canada and the continental United States of America if related to the provision of reasonable accommodation (e.g., health reasons).

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Train

Travel by train is permitted when it is the most practical and economic way to travel.

A coach class economy fare is the standard.

Business class may be acceptable with prior approval in limited circumstances such as:

- the need to work with a team;
- choosing a travel time that allows you to reduce expenditures on meals or accommodation (e.g., compare an economy (coach) class ticket plus a meal, with the cost of a ticket for VIA 1, where the meal is included);
- accommodation requirements; and
- health and safety considerations.

International train travel should be at the Canadian equivalent to coach class.

Vehicle

Choosing the Appropriate Vehicle

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

- hospital vehicle
- rental vehicle
- personal vehicle, if it is more economical than a rental vehicle

If you travel frequently as part of your job, these arrangements should be made when you are hired.

Use of a personal vehicle must be discussed in advance with your approver. The hospital will assume no financial responsibility for the use of your own vehicle other than paying the kilometric rate.

Hospital Vehicle

Hospital vehicles may be:

- used only for hospital business; and

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- operated only by someone with a valid Ontario driver’s license for the appropriate class of motor vehicle.

You can have a passenger in a hospital vehicle only if the passenger’s travel is related to hospital business.

Rental Vehicle

When renting a vehicle, a compact model or its equivalent is required. Any exceptions must be:

- documented and approved prior to the rental if possible; and
- guided by the principle that the rental vehicle is the most economical and practical size, taking into account the business purpose, number of occupants and safety (including weather) considerations.

Luxury and sports vehicles are prohibited.

To avoid higher gasoline charges, refuel your rental car before returning it.

Personal Vehicle

The hospital assumes no financial responsibility for personal vehicles. The hospital will, however, pay the kilometric rate if you are, with prior approval, using your own vehicle for hospital business.

You should consider lower cost options, such as vehicle rental or audio or video conferencing.

If using a personal vehicle, keep daily logs to track the business use.

Accident Reporting

While travelling on business, 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.

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Reimbursement and Rates

As of April 1, 2011, the kilometer reimbursement for mileage payable for attending to hospital business is \$0.46/km.

In order to claim for mileage, a “Travel Expense Form” must be completed and approved before reimbursement.

Expense claims must be submitted with distances calculated in kilometers from their home site. In order to standardize the km’s for common travel a chart has been provided below.

If an employee’s travel originates or ends at their place of residence; the kilometers will be claimed using the shortest distance from their place of residence or home site.

Hospital Travel To	LMH km	PDH km	GMCH km
Palmerston Hospital	26		45
Louise Marshall Hospital		26	45
Groves Hospital	45	45	
Guelph Hospital	65	65	21
WWLHIN	85	76	47
CCAC - KW	67	58	33
CCAC - Guelph	66	67	22
Cambridge Hospital	89	83	46
Grand River Hospital–K-W Site	74	65	42
Grand River Hospital-Freeport	84	75	44
St. Mary’s Hospital	79	70	43
St. Johns’ Parish Hall	24	26	20
Stratford General Hospital	86	68	85

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Parking and Tolls

Reimbursement is provided for necessary and reasonable expenditures on parking, as well as tolls for bridges, ferries and highways, when driving on hospital business. There is no reimbursement for traffic or parking violations.

Taxis

Prior approval to use a taxi should be obtained whenever possible.

Taxis may be justified in cases where:

- group travel by cab is more economical than the total cost of having individuals travel separately by public transit or shuttle; or
- taking a cab allows you to meet an unusually tight schedule for meetings.

Taxis may not be used to commute to work or home except under exceptional circumstances; for instance:

- weather, health or safety conditions indicate it is the best, appropriate option; or
- transport of work-related baggage or parcels is required.

Public Transit

Local public transportation including hotel/airport shuttles should be used wherever possible.

5.5 Accommodation

In the normal conduct of business, reimbursement for overnight accommodation within your office area will be neither authorized nor approved. However, in emergency or highly unusual situations exceptions will be considered. For example:

- You are required to remain close to your office for periods long in excess of (your) standard working hours.
- Your services are deemed necessary (and approved accordingly) for the purposes of emergency or crisis management.

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There will be no reimbursement for hotel suites, executive floors or concierge levels when traveling.

Reimbursement will be made for single accommodation in a standard room.

For extended stays at a single location, accommodation must be arranged with prior approval. This will take advantage of lower weekly or monthly rates.

Penalties incurred for non-cancellation of guaranteed hotel reservations are the claimant's responsibility and may be reimbursed only in an exceptional circumstance.

Private stays with friends or family are acceptable, and a cash payment or gift may be provided to the friends or family:

- A maximum of \$30 per night is allowed for accommodation including any meals with friends or family, in lieu of commercial accommodation. Instead of a receipt, you must submit a written explanation describing the purpose of the trip, identifying the host and the number of days you stayed.
- The \$30 value may be given in the form of a small gift (which must be accompanied by a receipt) or by cash or cheque.

5.6 Other Kinds of Expenses

Personal Care

If traveling on business for five consecutive days or more, reimbursement is allowed within reasonable limits for expenses such as:

- laundry
- dry cleaning
- hotel valet services (e.g., shirt pressing, suit steaming, shoe polishing, etc.)

Itemized receipts are required.

You will not be reimbursed for personal or recreational items (e.g., the toothbrush you forgot to bring from home, pay-per-view, or items from the mini-bar).

Telecommunication

With prior approval, you may use your Blackberry or hospital cell phone for business purposes when traveling. Speak with your approver to determine what is covered in your Blackberry or cell plan and how the hospital wishes to handle long distance or roaming charges.

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Wherever possible, you are expected to use the least expensive means of communication.

Use audio or video conferencing whenever possible, as an alternative to travel.

If you are away on hospital business, reimbursement will be made for:

- reasonable, necessary personal calls home for each night away; and
- additional business expenses, such as:
 - business calls
 - emergency calls from air or rail phones
 - internet connections and computer access charges
 - facsimile transmissions
 - word processing and photocopying services
 - rental and transportation of necessary office equipment

Dependent Care

For the purposes of this policy, a dependent is a person who resides with the traveler on a full-time basis and relies on the traveler for care (e.g., a child or parent).

If travel is an expected part of your job duties, there is no reimbursement for dependent care expenses.

6.0 MEALS

Rules

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

Reasonable and appropriate meal expenses may be reimbursed. You may incur a meal expense when you are on hospital business and you:

- are away from the Wellington Health Care Alliance area (i.e., at least 24 km) over a normal meal period

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Original, itemized receipts are required and reimbursement must not exceed the actual amount spent. Taxes and gratuities are included in the meal rates.

Reimbursement is for restaurant/prepared food only. Reimbursement for groceries must have prior approval and a written rationale must be submitted with the claim.

Reimbursement will not be provided for meals consumed at home or included in the cost of transportation, accommodation, seminars or conferences.

If you travel as a regular part of your job, your meals will not normally be reimbursed unless you have obtained prior approval.

Meal Rates in Canada

Reimbursement for meal expenses incurred in Canada is subject to a daily maximum rate of \$55.00 set out in the chart below. Meal expenses out of Canada are subject to the equivalent of \$55.00 CAN\$. These rates include taxes and gratuities.

Meals	Maximum Amount
breakfast	\$15.00
lunch	\$15.00
dinner	\$25.00
Daily Maximum Rate	\$55.00

The rates are not an allowance. They are for meals – you must have eaten the meal to be able to submit a claim for reimbursement.

You may allocate the combined daily maximum rates to a maximum per day. For example you could combine the amounts for breakfast, lunch and dinner to a combined daily maximum rate of \$55.00 per day. This now becomes the maximum rate for the meals, regardless of what you spent on each meal.

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7.0 HOSPITALITY

What is “hospitality” for the purpose of this Policy?

Hospitality is the provision of food, beverage, accommodation, transportation and other amenities to people who are not engaged to work for the hospital.

Rules

Functions involving only people who work for the hospital are not considered hospitality functions and cannot be reimbursed. This means that hospitality may never be offered solely for the benefit of anyone covered by this policy.

Hospitality may be extended in an economical and consistent manner when:

- it can facilitate hospital business; and
- it is considered desirable as a matter of courtesy or protocol.

Prior written approval is required for hospitality events where alcohol will be served (see responsibilities regarding alcoholic beverages, below).

Responsibilities regarding alcoholic beverages

- Prior written approval is required from the CEO with no delegation of the authority.
- Reimbursement of alcohol expenses is allowed only when the appropriate approvals are in place.
- Alcohol should be provided in a responsible manner, e.g., food must always be served when alcohol is available.
- Preference should be given to wine, beer and spirits produced in Ontario.

Submitting the claim for reimbursement

- all expenses must be documented and include original itemized receipts;
- the claim must include event details regarding:
 - purpose;
 - date(s);
 - location;

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- type of hospitality (breakfast, lunch, dinner, reception, refreshments, etc.);
- attendees;
- appropriate prior approvals.

8.0 EXPENSES FOR CONSULTANTS AND OTHER CONTRACTORS

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
- Dependant care
- Home management
- Personal telephone calls

Claims for Reimbursement of Expenses

Reimbursement for allowable expenses under this policy can be claimed only when the contract with the hospital specifically allows for it.

9.0 RESPONSIBILITIES

Employees are responsible for:

- following the principles and rules set out in this policy,

Supervisors and Managers are responsible for:

- carrying out any delegated authorities and assigned tasks in accordance with this policy,

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- exercising managerial discretion judiciously,
- ensuring there is an appropriate records retention system and that documents, including claims and approvals, are maintained and stored,
- ensuring staff are aware of the requirements of this policy,
- seeking timely direction when there are questions of application,
- taking appropriate action in the case of non-compliance.

CEOs are responsible for:

- ensuring the policies principles and rules are implemented and monitored, including putting in place processes that support the policy,
- delegating approval authority to appropriate levels within the hospital,
- carrying out any delegated authorities and assigned tasks in accordance with this policy,
- ensuring consistent application of the policy (e.g. for all jobs requiring regular travel),
- ensuring that claims are fully documented by running regular spot checks,
- ensuring that all persons covered by this policy are aware of their responsibilities under this policy and of the appropriate conflict of interest rules,
- approving the service of alcohol at hospitality events

10.0 DEFINITIONS

Appointee: A person appointed by the government to undertake any function on behalf of the government.

Approver: A person with the authority to make approvals under this policy.

Chair: Someone appointed as head of the hospital, accountable to the minister, regardless of whether the title “chair” is used.

Chief Executive Officer (CEO): The head of operations at the hospital.

Claimant: Anyone making a claim under the terms of this policy.

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Consultants and Contractors: Individuals or entities under contract to the hospital providing consulting or other services.

Delegation of Authority: A written assignment by which a person who has a power, duty, function or responsibility under this policy authorizes another person (identified by name or by position title) to exercise the power, duty, function or responsibility.

Dependent: Someone who resides with the traveler on a full-time basis and relies on the traveler for care (e.g., a child or parent).

Hospitality: The provision of food, beverage, accommodation, transportation and other amenities to people who are not engaged in work for the hospital.

Itemized receipt: Original document identifying the vendor with the date and amount of each expense item paid by the claimant.

Office area: The area surrounding the Wellington Health Care Alliance workplace, with a perimeter of 24km measured by the most direct, safe and practical route by road.

References

Broader Public Sector Expense Directive, April 1, 2011

Ontario Public Service (OPS), Travel, Meal and Hospitality Expenses Directive