

POLICY AND PROCEDURE MANUAL

Policy Title:	TRAVEL, MEAL AND HOSPITALITY EXPENDITURES POLICY	Area of Responsibility: VICE PRESIDENT, FINANCE & CFO
Policy Section:	FINANCE	
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4.13 TRAVEL, MEAL AND HOSPITALITY EXPENDITURES POLICY

1.1 Purpose

The purpose of this Policy is:

- To set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices;
- To provide a framework of accountability to guide the effective oversight of College resources in the reimbursement of expenses; and,
- To set the parameters for the public disclosure of the College’s travel and hospitality policy.

1.2 Application and Scope

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

- Appointees;
- Board members;
- Volunteers;
- Employees; and,
- Consultants and contractors engaged by the organization, providing consulting or other services.

In addition, every funding agreement between the College and a Ministry or agency of the Government of Ontario is deemed to include the requirements of this directive.

Where an agreement addresses the subject matter of this directive, this directive prevails over the relevant terms of the agreement if there is any conflict or inconsistency between them.

This policy does not prevail over legislation or a collective agreement or other terms and conditions of employment between the College and employees of the College.

Written approval is required before any arrangements are made for travel, and hospitality events involving alcohol. Electronic approval is considered written approval for the purposes of this policy as long as the approver has sufficient information to make an informed decision.

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 College. Functions involving only people who work for the College, other Broader Public Sector (BPS) agencies and provincial ministries and agencies are not considered hospitality functions.

Expenses for a group can only be claimed by the most senior person present.

1.3 Failure to Adhere to Policy

Should an employee fail to adhere to the travel and hospitality policy:

- The supervisor will upon notification of failure to adhere take appropriate corrective action;
- If necessary a written notification will be issued to the employee and their supervisor and/or other appropriate management levels;
- The employee's corporate credit card may be zero balanced, possibly suspended, and their authorization to travel will be reviewed; and,
- The employee may be subject to disciplinary action according to College policy.

2. PRINCIPLES

This policy is based on four key principles.

- A. **Accountability:** The College is accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives. Since expense accounts can become matters of public record through audit or other means, expenses should be incurred and claimed in a manner that is publicly defensible and will not harm the College's reputation as a good manager of its resources.
- B. **Transparency:** The College 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.
- C. **Value for Money:** College dollars are used prudently and responsibly. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety and efficiency of operations.
- D. **Fairness:** Legitimate authorized expenses incurred during the course of the business of the College are reimbursed.

3. REQUIREMENTS

3.1 Accountability Framework

The President and/or the Executive Team have the authority to establish additional rules regarding expenses. Any additional rules should be consistent with those laid out in this policy and be necessary to meet specific operational needs. These additional rules do not replace any rules required in this policy and must be made accessible to everyone covered by the new rules.

In addition, the President may modify the level of approval upward to a more senior level when authority is assigned to a manager/supervisor or contract manager.

Managerial Discretion

For the purpose of this policy and the expense rules, managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with this directive and the rules. All decisions made under the expense rules should be taken very carefully.

When exercising managerial discretion, the rules on documentation should be followed so the rationale will be included in the claim file.

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 set out in this policy 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; and,
- 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.

3.2 Posting

This policy is posted on the College's website, so it is available to all College staff and the public.

3.3 Alcohol

Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. For rules regarding reimbursement for the service of alcohol as part of a hospitality event see section 3.4.

3.4 Hospitality

Hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged in work for any designated BPS agency under the Broader Public Sector Accountability Act 2010 or Provincial ministry or agency covered under the Ontario Public Service Travel, Meal and Hospitality Expenses Directive.

Rules

Functions involving only people who work for the College 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 College business; and,
- it is considered desirable as a matter of courtesy or protocol.

Expenses that do not fit the definition of hospitality will not be reimbursed. Examples of such expenses would be office social events, retirement parties and holiday lunches, except where explicitly outlined in this policy. Prior written approval is required for hospitality events where alcohol will be served (see responsibilities regarding alcoholic beverages, below).

When Hospitality is Appropriate

Hospitality may be extended on behalf of the College when:

- Engaging in discussion of official public matters with, or sponsoring formal conferences for: business and industry, public interest groups, or labour groups;
- Providing people from national, international, or charitable organizations with an understanding or appreciation of the workings of the College;
- Honouring distinguished people for exceptional public service;
- Conducting prestigious ceremonies for heads of state, government or distinguished guests from the private sector;
- Events related to the functioning of the hospitality program at the College; or,
- Other hospitality functions as approved by the President including the Holiday and Welcome Back Lunch, providing they conform to the rules listed in this section of the Policy.

Responsibilities Regarding Alcoholic Beverages

- Prior written approval is required from the President, with no delegation of the authority.
- If the hospitality event is hosted by the President, the President must seek prior approval from the Chair of the Board.
- If the hospitality event is planned at the request of the Chair, the Chair must provide prior, written authorization to the President to permit the service of alcohol.
- Reimbursement of alcohol expenses is allowed only when the appropriate approvals are in place.
- Hospitality may include the consumption of alcohol at a meal or a reception with invitees as defined above, but only when there is a business case.
- 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.

Gift Giving

Gifts of Appreciation for People Not Engaged in Work for the College

- Appropriate token gifts of appreciation may be offered in exchange for gifts of service or expertise to people who are not engaged in work for the College.

Special Status for Service of Alcohol at Hospitality Events

For some parts of the College, the hospitality program, winemaking or brewery programs for example, the service of alcohol at hospitality events may be considered integral to their business. To ensure that the approvals process does not have an undue negative effect on the ability of these programs to conduct business, they may apply for special status that would allow the Board to approve the service of alcohol at hospitality events in advance.

Only the Board of Governors can approve special status.

3.5 Documentation

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

3.6 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
- Dependent care
- Home management
- Personal telephone calls

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

3.7 Individuals Making Claims (Claimants)

Claimants are required to:

- Obtain all appropriate approvals before incurring expenses;
- Submit original, itemized receipts with all claims;
- Submit claims within 90 days of occurrence of the expense;
- 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;
- Repay any overpayments (it is considered a debt owing to the College); and,
- If leaving employment with the College, submit any claims for expenses before leaving.

3.7 Individuals Approving Claims (Approvers)

Approvers are prohibited from approving their own expenses.

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., an executive who reports to the President cannot submit a claim that includes the cost of the President's lunch even if they were at the same event, with the result that the President would thereby approve his/her own expenses).

Approvers must:

- Provide approval only for expenses that were necessarily incurred in the performance of organization business;
- Provide approval only for claims that include all appropriate documentation;
- Use the following principles to guide exceptions to the rules:
 - Trust: Use discretion and latitude for persons and supervisors to act in a fair and responsible manner.
 - Flexibility: Management decisions respect the duty to accommodate, respond to persons' needs and interests and consider unforeseen circumstances
 - Stewardship: Ensure consistent, fair and equitable application of the policy giving consideration to all circumstances, while maintaining the shared responsibility for wise and prudent use of public resources; and,
- Where an approver exercises discretion in making an exception, in order to ensure a proper record for audit purposes, the waiver must be approved by a Vice President or the President, as appropriate, and accompany the claim.

4. TRAVEL

This Policy applies whenever travel is required. For the purpose of this Policy, travel does not refer to a person's regular commute to work, which is not reimbursable.

- The College reserves the right to refuse, in whole or in part, reimbursement of business expenses.
- Service charges related to the late payment of credit card charges are the sole responsibility of the claimant and are not the responsibility of the College.
- Charges related to fines and or court costs related to parking, and traffic related offences are not allowable expenses.
- Additional costs for travelling with a companion, making voluntary changes to existing travel arrangements, 'no show' charges unless incurred as a result of business related circumstances or extenuating personal circumstances, and unused or lost tickets are not reimbursable.
- In situations in which a claimant chooses to use their own vehicle, the amount reimbursable is the lesser of the kilometric claim or the costs of transportation using a rental or College vehicle, bus, train, taxi, airplane or other means of publicly available transportation.
- Expenses reimbursed by the College are not to be used for income tax purposes or for claims to another organization.
- Since expenses are subject to audit, ineligible expenses identified through audit shall be reimbursed to the College by the claimant.

- Reimbursement of expenses related to attendance at political fundraising events is not allowed under this policy.
- Prior to requesting approval to travel, other options for meetings should be considered including audio and video conferencing.

4.1 When Travel is a Part of the Job

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

4.2 When Travel Occurs Every Now and Then

In the majority of positions in the College, travel usually occurs irregularly on an as-needed basis (e.g. to attend training, meetings, conferences or consultations, representing the College 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.

4.3 Approvals for Travel

The following chart identifies the level for approvals for travel for everyone covered by this Policy. In limited cases, the authority for approval may be delegated.

	<u>Within Ontario</u>	<u>North America</u>	<u>International</u>
Chair	N/A	N/A	Board Secretary/Treasurer
President	N/A	Board Chair	Board Chair
Employee	Supervisor	VP	President
Consultant	Manager	VP	President

Note that these are the levels for approving travel, not for approving any expenses related to travel. Expenses relating to international travel must be approved by the employee’s Sector Head or Vice President prior to purchasing. These expenses are approved on a case-by-case basis.

4.4 Delegation of Authority for Travel Approvals

Delegation is permitted one level lower by the Chair, President or Vice President, than outlined in the chart above for Travel within Ontario and North America only. In no case can an individual be delegated the authority to approve either their own travel plans or their own expenses.

4.5 Insurance

Medical and Health Insurance: Eligible employees are covered under the College’s health insurance plans in the event of illness or injury. The cost of additional private medical/health insurance will not be reimbursed for travel within Canada. You are responsible for arranging appropriate out-of-country medical insurance. For College employees, this cost is reimbursable.

Travel Accident Insurance: Eligible employees have basic insurance for accidental injury or accidental death. Extra insurance may be arranged at the traveler’s expense and will not be reimbursed.

Vehicle Insurance: If you use your personal vehicle while on College 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 College will not reimburse the costs of insurance coverage for business use, physical damage or liability;
- The College is not responsible for reimbursing deductible amounts related to insurance coverage; and,
- In the event of an accident, you will not be permitted to make a claim to the College for any resulting damages.

4.6 Transportation

- When an automobile is used for travel, the following choices are available: College vehicle, a rental vehicle, or a personal vehicle.
- When the claimant's own vehicle is used for transportation, the amount reimbursable is the lesser of the kilometric claim or the cost of transportation using a rental or College vehicle, bus, train, taxi, airplane or other means of publicly available transport. Reimbursement for the use of a personally owned automobile will be based on kilometric distances at a rate of \$0.40 per kilometer.
- If a personal vehicle is used by the traveler while on College business, insurance on and damage to the vehicle is the responsibility of the owner traveler.
- Travel by plane and train is permitted when it is the most practical and economical way to travel. Choose the lowest fare available when purchasing a ticket. Air and train travel should be in economy (coach) class unless explicit prior permission is granted for an alternative class by a Vice President or President. Such permission will be granted consistent with the approval process outlined above.
- Reimbursement is provided for necessary and reasonable expenditures on parking, as well as tolls for bridges, ferries and highways, when driving on College business. Parking costs incurred in the office area as part of a regular commute to work will not be reimbursed.

5. ACCOMMODATION

In the normal conduct of business, reimbursement for overnight accommodation within the office area will not be authorized or approved.

Reimbursement will be made for single accommodation in a standard room. Exceptions may be approved by a Vice-President or President and be consistent with this Policy.

Claimants will not be reimbursed for movie or game rentals, bar service, and other hotel services such as health clubs, personal grooming and spa services, etc. Penalties incurred for non-cancellation of guaranteed hotel reservations are the claimant's responsibility.

- When traveling, private stays with friends or family are acceptable, and a cash payment or gift may be provided to the host, consistent with this Policy. 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.

6. MEALS

Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.

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

- Are away from the office area (i.e. at least 100 km) over a normal meal period, unless outside of Canada;
- Have prior approval for the expense (e.g., a business meeting within the office area that must occur over lunch); or,
- Are working continuously for more than three hours beyond your normal hours.

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

Reimbursement will not be provided for meals consumed at home or included in the cost of transportation, accommodation, seminars or conferences, or any other means already covered in your costs.

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 and the United States

Below are the maximum reimbursement rates for meal expenses incurred in Canada and the United States. These rates include taxes and gratuities. The below Canadian rates are effective as of the BPS Travel, Meal and Hospitality Expenses Directive updated on January 1, 2020. The US rates are effective as of the NJC Appendix C Module updated on April 1, 2020.

	Canada	United States
Meals	Maximum Amount	Maximum Amount – US Funds
Breakfast	\$10.00	\$16.80
Lunch	\$12.50	\$17.00
Dinner	<u>\$22.50</u>	<u>\$45.00</u>
Daily Maximum	\$45.00	\$78.80

- a) Meal rates are to be claimed either as the actual expense or up to the College's maximum allowance per meal, whichever is less.
- b) All meals reimbursed for travel of less than a full day are to be the actual cost of the meal, up to the College's allowance per meal, whichever is less.
- c) For travel of one full day or more, any unused meal allowance may be contributed towards another meals expense, during the travel period. However, the total meal costs reimbursed must not exceed the total meal allowance per trip. For example, for an individual travelling for two full days, \$80.00 in total may be incurred for the trip. If breakfast expense incurred is \$5.00 of the \$8.75 maximum allowance, \$3.75 may be used towards another meal, during the trip period only. Any unused meal allowance will not be reimbursed as no expenses were incurred.
- d) Original, itemized meal receipts are required to claim any expenses for reimbursement. Exceptions to the meal rates may be granted with the prior approval of an Executive Team Member.

- e) Only one of each meal category (1 breakfast, 1 lunch, and 1 dinner) for each day will be reimbursed. An itemized receipt that includes multiple meals but is still within the maximum allowance will be assessed for reasonability and may not be approved.

Meal Rates Outside of Canada

Refer to the federal reimbursement rates for meal expenses outside Canada as set out in the appendices of the treasury Board of Canada Travel Directive, April 1, 2008, or successor directive. You can find these documents on the federal government website: http://www.njc-cnm.gc.ca/directive/app_d.php?lang=eng using their alphabetical listing of policies to look up the Travel Directive. The two relevant appendices are:

- Appendix C – Allowances – Modules 1, 2 and 36
- Appendix D – Allowances – Module 47

Per Diems – Exceptional Circumstances

Employees may claim per diem expenses, without receipts, in some exceptional circumstances. These include when an employee is travelling internationally due to fulfilment of a contract with an external agency or organization (the agency or organization cannot be the recipient of public funds). Other circumstances include other international travel where receipts are not easily available. In these cases, a per diem may be granted to the employee at the discretion of the appropriate Vice President; written approval for per diems must be obtained and submitted with the expense claim. Per diems should be set in accordance with the meal rates outlined in the Treasury Board of Canada Travel Directive (appendices C and D) which can be found at <http://www.njc-cnm.g.ca/directive/travel-voyage/index-eng.php>.

Work Related Expenditures for College Staff

Expenses such as meals and refreshments for work related activities and events involving College staff can be reimbursed if approvals are obtained from the Vice President or their designate. Examples would be activities intended to advance:

- (i) the education and training of students and the public,
- (ii) the objects of the Colleges as defined in section 2.2 and 2.3 of the Colleges of Applied Arts and Technology Act 2002,
- (iii) the College's own strategic directions
- (iv) professional development of staff
- (v) government policy

If the activities carried out above include business meetings within the office area that must occur over meals hours (i.e. breakfast, lunch or dinner), meals and refreshments may be reimbursed with approval from the Vice President or their designate. See Meals 6.0 for further guidance.

7.1 RESPONSIBILITIES

Employees, Volunteers, and Appointees are responsible for:

- Considering alternatives such as teleconferencing and video conferencing;
- Following the principles and rules set out in this Policy;
- Being aware of the conflict of interest rules that govern the College; and,

- Being aware of any other applicable policies and guidelines.

Supervisors and Managers are responsible for:

- Carrying out any delegated authorities and assigned tasks in accordance with this Policy;
- 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; and,
- Taking appropriate action in the case of non-compliance.

Presidents and Vice Presidents are responsible for:

- Ensuring the Policy's principles and rules are implemented and monitored, including putting in place processes that support the Policy;
- Delegating approval authority to appropriate levels within the College except as restricted in this Policy;
- 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 in agencies/organizations that do not have special status for that purpose; and,
- Ensuring all employees and appointees are made aware of their responsibilities under this Policy.

Chairs are responsible for:

- Ensuring the Policy is applied and monitored appropriately;
- Ensuring that staff with delegated authority are able to effectively apply this Policy; and,
- Approving the President's expenses.

The Board of Governors is responsible for considering requests for special status and designating an approver for the Chair's expenses.