

Expense Claims: Allowable Expenses (Travel, Meals & Hospitality)

01:05:09

Effective Date: 4 November 2011

Expiry Date:

DIRECTIVE

The Management Board of Cabinet has issued this directive under the authority of the *Broader Public Sector Accountability Act, 2010* (Part IV - Expense Claims: Allowable Expenses).

Purpose, Application and Scope

The purpose of this directive is to set out the requirements for the designated BPS organizations to establish expense rules where expenses are reimbursed from public funds. The expense rules apply to any person in the organization making an expense claim, including the following:

- appointees,
- board members,
- elected officials (e.g. school trustees),
- employees, and
- consultants and contractors engaged by the organization, providing consulting or other services.

Note that in this directive, the term, Chief Executive Officer (CEO), refers to head of operations in designated broader public sector organizations.

Designated BPS organizations must comply with this directive. In addition, every funding agreement between a designated BPS organization 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 directive does not prevail over a collective agreement between an organization and a bargaining agent representing employees of the organization.

Principles

This directive is based on four key principles.

1. **Accountability:** Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.
2. **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.
3. **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.

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

CCAS GOVERNANCE POLICY:

The Society is a BPS organization, and as such, has established rules with respect to allowable expenses that are consistent with legislation. These rules cover all individuals in the Society.

REIMBURSEMENT OF EXPENSES

Non-Reimbursable Expenses

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

- personal recreational purposes (e.g. video rentals, mini-bars, etc.);
- personal items;
- traffic and parking violations;
- social events that do not constitute hospitality as described below;
- alcoholic drinks, unless approved as part of hospitality as described below; and,
- friends or family members, unless part of hospitality as described below.

Receipts

Original receipts (not photocopies) must be submitted with all claims. Credit card slips by themselves are insufficient to support a claim for reimbursement.

Overpayments

Overpayments, namely amounts reimbursed or paid to staff that are not in accordance with the terms of this policy shall be recovered from the claimant as a debt owing to the Society.

Time Limit for Claims

Staff of the Society are encouraged to submit expense requisitions on a timely basis. This ensures that expenses are charged to the correct accounting period, and reduces the risk of loss of receipt.

Authorization of Expenses

As a means of monitoring compliance with this policy and procedures, prior to submitting expense requisitions to the Finance Department, expenses must be approved (via a signature on the appropriate reimbursement form) by a spending authority according to Operating Document 01:04:01 Spending Authority & Limitations.

Guidance on Exceptions to Rules

Requests for reimbursement should not be rejected solely because they arose from mistakes or misinterpretations of the requirements of this Policy. Decisions whether to approve reimbursement or to require repayment must be reviewed on a case-by-case basis. Principles to guide exceptions to the rules:

- **Trust** - when considering the exception, use discretion and latitude for persons and supervisors to act in a fair and reasonable 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

Where a spending authority decides to exercise discretion in making an exception, and in order to ensure a proper record for audit purposes, the rationale for the exception must be documented and accompany the claim.

TRAVEL

Booking Travel Arrangements

When booking travel arrangements that require pre-booking such as air, rail or car rental, staff can make travel arrangements using any of the following options:

- Book via phone or internet, and claim for reimbursement
- Book via phone or internet and utilize the Society credit card, by contacting the Supervisor of Administrative Services who will supply the credit card number so the staff can book the travel
- Book through the Society approved travel agency

Advances – Travel and Other Business Expenses

Where travel is expected to be of a longer duration a cash advance may be provided. A Cheque Requisition must be completed and approved by a spending authority. Upon return, the staff person will reimburse the Society for the advance either in cash or by providing original receipts in conjunction with the final request for reimbursement.

Loyalty Programs

Provided that there are no additional costs to the Society, staff members traveling on Society business can join loyalty programs and utilize the benefits offered by the travel industry for future business or personal use, provided it is the most cost-effective means of travel.

Prior Approval for Travel

A request for travel outside Ontario or Canada must be submitted in writing and must include a written rationale to justify the travel, and documentation to demonstrate that the requested travel arrangements (e.g. transportation mode and accommodation) are cost-effective, including a detailed itemization of all expenses that will need to be incurred. Out-of-province travel should only be considered when required to meet the needs of a client, or when attending a training event or conference not available locally. All documentation will be submitted to the Director Of Service for approval.

INSURANCE

Medical/Health Insurance For Traveling Outside Ontario or Canada

Staff will be reimbursed for any additional privately arranged health plan coverage required for traveling outside Ontario or Canada. An original receipt for the premium paid must be provided and attached to the expense reimbursement claim.

ROAD TRANSPORTATION

Order of Preference

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

- Society vehicle when available. Society vehicles are intended for business use only.
- Rental vehicle if a Society vehicle is not available and a rental vehicle is more economical than use of a personal vehicle; or,
- Personal vehicle when a Society vehicle is not available, and a personal vehicle is more economical than use of a rental vehicle.

Bridge, ferry and highway tolls and necessary parking fees paid while driving on Society business will be reimbursed. Receipts must be obtained and submitted wherever practical.

Car Rental

Travelers are strongly encouraged to rent cars for business travel instead of using their own vehicle when the total distance to be driven in one day will exceed 200 kilometers. The size of the rental car must be the most economical and practical required for the business task and number of occupants. Exceptions must be documented and approved by the appropriate spending authority. Luxury and sports car rentals are prohibited, unless the car rental company provides a free upgrade due to lack of availability of a standard vehicle. The rental car must be refueled wherever possible before returning it, in order to avoid higher gasoline charges imposed by the rental car agency. The rental car agency will bill the Society directly. The extra vehicle insurance provided by the car rental agency should be purchased at all times.

Kilometer Reimbursement Rates for Personal Vehicle Use

Rates of reimbursement for all staff, volunteers, foster parents, and others driving on behalf of the Society are pursuant to the Society's Collective Agreement. Expense claims are to be submitted using the Society's eMEC system and must include the:

- date of travel
- starting and ending address (or institution name) **or** case name/number and purpose of expense
- kilometers traveled
- authorization by the appropriate authority

Employees may choose to use the 407 ETR route where time and distance saved exceeds the cost of 407 ETR charges. ETR charges will be reimbursed by the Society either to the rental car company or to the employee provided appropriate documentation, including rationale for usage, accompanies the expense claim.

Other Road Transportation

Whenever practical, local public transportation/hotel shuttles are to be used. Receipts for reimbursement are not required. Where other means of travel are not available or practical, taxi travel will be reimbursed with provision of receipts.

Rail Transportation

Travel by rail (coach class) is permitted when this is the most practical and economical way to travel. For travel to and from Toronto, use of first class (Via1) is acceptable where travel time goes beyond normal office hours and the staff person would be missing a meal by being in transit. Via 1 service includes the provision of a meal at meal times during transit. When traveling by rail, staff are requested to ask for the government rate, and if time permits, book the trip in time to receive an early booking discount.

Air Transportation

Travel by air is permitted when this is the most practical and economical way to travel. The Society will only reimburse for economy class, however if a staff person chooses to upgrade, he/she will be responsible for the difference in price. In this situation, the approval of a spending authority is required. Where possible and practical, backup support is to be provided to ensure the least cost flight is taken.

OTHER TRAVEL EXPENSES

Accommodation

Reimbursement for hotel accommodation in the Society's immediate area of jurisdiction (Greater Toronto Area GTA) will not normally be made. Exceptional or emergency situations may arise where a staff person resides out of town and is required to remain in the Society's jurisdiction overnight. These situations require the approval of a spending authority. Exceptions will be made for:

- events that start early
- events that are longer than one day
- days when inclement weather is forecasted

Approval for hotel accommodation must be obtained prior to booking. Reimbursement will be made for single accommodation in a standard room, and no reimbursement will be made for suites, executive floors, or concierge levels. The provincial government rate must be requested at the time of booking. For extended stays out of town at a single location, long term accommodation must be considered and approved by the Director of Service in order to take advantage of lower weekly or monthly rates. This may include the rental of a housekeeping facility. Reasonable gratuities for meals, bellhop, hotel room services, and taxis will be reimbursed. Receipts are not necessary to support reimbursement of these expenses.

Laundry/Dry Cleaning Services

Individuals who are away from home for five or more consecutive days shall be reimbursed for reasonable expenses for laundry, dry cleaning and valet services required as a result of conducting business, based on receipts.

Calls to Home

Reimbursement will be made for reasonable costs for necessary personal calls home for each night away. Wherever possible, the most cost-effective method should be used.

Additional Business Expenses

While traveling on government business, additional business expenses not otherwise covered will be reimbursed, such as business calls, air/ rail phones, computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, rental and transportation of necessary office equipment, provided the charges are incurred while conducting Society business.

Meals

Reasonable and appropriate meal expenses will be reimbursed subject to an employee's Supervisor or Manager approval, when employees are required to be away from his or her work location over a normal meal period.

If a worker is away for 2 days including travel, lunch and dinner on day one and breakfast and lunch on day two would be allowable.

Original, itemized receipts must be provided. Reimbursement must not exceed the amount actually spent, (including taxes and gratuities) as validated by a receipt.

Reimbursement of actual meal expenses that exceed the rates set out in this policy may be approved by managers if the reimbursement is consistent with the policy statement on page 1 of this document. Every claim for reimbursement must be accompanied by an original receipt and a written explanation with sufficient detail when the meal rate is exceeded.

Reimbursement of meal costs will, in no case, include the cost of alcoholic beverages.

No reimbursement will 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.

Meal Rates are as follows:

- Breakfast - \$8.00
- Lunch - \$12.00
- Dinner - \$20

For a full day of meal claims, (i.e.: breakfast, lunch AND dinner) employees have the discretion to allocate the daily total three meal rate of \$40.00 among meals with a suggested cap of \$20.00 for any single meal.

For less than a full day of meal claims, employees are to be guided by the schedule of rates above.

Meal Expenses – Clients

We recognize that there are circumstances where workers may purchase meals/coffee/treats for clients. In cases where this is authorized by the Supervisor, these expenses should not exceed the limits established for employee meal allowances. Actual expenses will be reimbursed up to but not beyond these limits. If a worker has a doubt about whether an expense is appropriate, they should consult their Supervisor PRIOR to making the expenditures. In every case where a worker takes a client to lunch, the claim for expense must be substantiated with a detailed receipt, client's name (or case number), and rationale for the purpose.

HOSPITALITY

Hospitality Expenses

Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at expense of the Society to persons who are not engaged in work for the Society. Hospitality may be for the purpose of incentive or as an expression of appreciation. Hospitality should be extended in an economical, consistent and appropriate way when it will facilitate Society business or is considered desirable as a matter of courtesy. Hospitality expenditures should be consistent with the status of the guest(s), the number of persons in attendance and the intended business purpose.

Where hospitality events are extended by the Society and where guests include vendors or prospective vendors, organizers are responsible for obtaining prior approval to ensure that the hospitality provided does not give, or is not perceived to give, preferential treatment to any particular vendor.

Acceptance of hospitality from vendors, current or prospective, may constitute a conflict of interest and may therefore be disallowed. Managers are responsible to ensure that employees are aware of their conflict of interest obligations.

Hospitality which is solely for the benefit of individuals engaged in work for BPS organizations or for any agency/public entity covered by the OPS Travel, Meal and Hospitality Expenses directive is disallowed as a reimbursable under this policy. This includes office social events, retirement parties or holiday luncheons.

Alcohol

The provision of alcoholic beverages as part of Society provided hospitality must be pre-approved by either a Director or the Executive Director prior to the event. Approval for such service must be in writing and must accompany the expense claim or accounts payable record. Alcohol provided as part of hospitality must be served in a responsible manner. As an example, food should always be served when alcohol is available. Additionally, preference should be given to wine, beer and spirits produced in Ontario.

Hosts must ensure that hospitality expense records include:

- The circumstances of the event (business purpose)
- The form of hospitality
- Cost supported by receipts
- Name and location of establishment
- Names, titles and companies of attendees
- Approvals by appropriate individuals in the Society

Consultants and Other Contractors

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

Reimbursement for allowable expenses can be claimed and reimbursed only when the contract specifically provides for it.

Recipients of Hospitality

Gifts of appreciation may be accepted if token in nature, valued at up to \$30.00. Gifts valued above \$30.00 must be justified and approved by the Manager or Director of the recipient. In all cases where hospitality is provided to agency staff or board members, conflict of interest guidelines will prevail in determining whether such hospitality should be reasonably accepted. If in doubt, a worker should consult with his/her manager.

Gifts of Appreciation by the Society

Token gifts of appreciation, valued at up to \$30, may be extended to persons who are not attached to the Society in exchange for pro bono services. Gifts valued above \$30 must be justified and approved by an immediate supervisor.

ACCOUNTABILITY FRAMEWORK

Responsibilities of Staff

In arranging travel, a staff person is required to:

- consider alternatives to travel such as teleconferencing and videoconferencing
- obtain approvals from appropriate authorities for travel
- use service providers designated by the Society where appropriate
- request and accept lowest common carrier fare
- supply an itinerary to and notify the manager of any changes so that travelers may be contacted in an emergency
- cancel hotel bookings prior to 6:00 p.m. to avoid no-show charges
- submit all expense claims on a timely basis
- provide written explanations (via a memo) for unusual expenses
- provide original receipts for all expense claims
- provide descriptions for all expenses claimed

Responsibilities of Spending Authority

In authorizing expenditures, managers are required to:

- ensure that expenses are consistent with this and other applicable policy and procedures
- determine and authorize when business travel is necessary
- consult with the staff person to ensure travel arrangements also accommodate his/her needs and interests
- ensure that appropriate receipts are provided to support expense claims

- ensure that unusual items are appropriately explained in writing and provide proof of prior approval, where applicable
- ensure that staff are aware of Conflict of Interest guidelines

Approvers may not approve their own expense submissions. Expense claims must be approved by responsible individual at minimum one level higher in the organizational structure.

Record Retention

The Society must ensure that appropriate record retention arrangements are in place for claims documentation. The Department of Finance, Administration & IT is responsible for retaining such documentation.

Cross-References

Attachments