

SUBJECT:	Travel, Hospitality, and Reimbursement of Expenses	NUMBER:	6-13
APPLIES TO:	All Staff	NEW/REVISED:	Revised
ISSUED BY:	Director of Financial Stewardship	REPLACES:	April 2021 Edition
AUTHORIZED BY:	Chief Financial Officer	REVISION DATE:	April 2022
CATEGORY:	Finance Controls	PAGE:	1 of 11

PURPOSE

The purpose of this policy is to set out the requirement by Sault Area Hospital (SAH) to establish expense rules where expenses are reimbursed from public funds. It also demonstrates accountability to stakeholders by ensuring that the expense policy is in accordance with the standards expected of the Broader Public Sector (BPS). The expense rules apply to any person in the organization making an expense claim, including the following:

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

The policy 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.

POLICY

1. COMPLIANCE

It is the responsibility of each employee and the approver to ensure that all portions of this policy are complied with and to report any variances to the Director of Financial Stewardship. Any employee found to have knowingly violated this policy will be subject to corrective action, up to and including dismissal.

2. 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 policy and the BPS Directive. All decisions made under the expense rules should be taken very carefully. 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
- Compliant 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 must consider whether the request is:

- In compliance with Broader Public Sector (BPS) Directives
- 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.

3. EXPENSE REIMBURSEMENT

Expense Reimbursement Form

Travel Expense Statements must be completed and submitted in full by the claimant within thirty (30) days of return, listing all eligible expenses. Travel Expense Forms are available on SAH custom templates and must be approved by the employee's direct manager prior to being submitted to Accounts Payable for payment. Generally, one expense report should be completed for each trip. Expense reports must be completed electronically and not handwritten. If there are changes once reviewed by management, the authorizing manager must initial the manual handwritten change.

It is the responsibility of the authorizing manager to ensure that only eligible expenses are approved. Where there is insufficient detail or support for the claim, travel expenses will not be reimbursed.

Credit Cards

The purpose for the corporate credit cards is to expedite business transactions where vendors will only process transactions with a credit card payment, and not on a Corporation account. Individuals authorized to have an SAH corporate credit card may put travel expenses on their corporate credit card, excluding meals. Meal expenses are prohibited from being paid with a corporate credit card.

Foreign Exchange

When claiming expenses incurred in currencies other than Canadian, the amount must be claimed in Canadian dollars using the following exchange rates:

1. The exchange rate as it appears on the credit card statement; or,
2. The Bank of Canada daily or monthly average exchange rate for the period the expense was incurred (<https://www.bankofcanada.ca/rates/exchange/>)

Proof of the exchange rate must be attached to the expense claim.

Maximum rates and allowances established in this policy are in Canadian dollars.

Timelines for Reimbursement of Expenses

Once approved, expenses are submitted to Accounts Payable and a final review and approval is complete by Finance, Accounts Payable will reimburse travel expenses within 10 business days. If there are questions/concerns raised with a submission, there may be a delay until an acceptable response is received

by the claimant. It is extremely important that all documentation is included with an expense submission to avoid any delays in payment.

Under no circumstances can staff claim for expenses from the hospital that have already been reimbursed to the employee by an external party. Consequences of “Double claiming” expenses include disciplinary action and can result in dismissal.

Overpayment of Expenses

Should there be a situation where there is an overpayment to a claimant, it is considered a debt owing to the SAH and must be repaid.

Documentation

All expenses must be substantiated with an original itemized receipt and a credit card receipt must also be included, where applicable. The hospital recognizes that much of today’s transactional documentation is in the form of an electronic medium. In circumstances where electronic purchasing is utilized, electronic receipts via email or from the vendors’ database will be accepted.

In the event that itemized receipts are not available or lost, the expense will not be reimbursed.

All expense claims are subject for internal review from the Finance department. Any adjustments made to the submitted claim as a result of this review will be communicated via email to the claimant.

4. TRAVEL

Prepaid Expenses

Employees must take advantage of timing related discounts, e.g. early registration, advance airfare booking, whenever possible. Prepayment for conference and flights by an employee’s manager’s corporate credit is encouraged when possible.

When an employee's travel plans are cancelled before the trip, their manager shall be notified. If any prepaid expenses incurred such as flights or accommodations have been previously reimbursed, the employee shall make arrangements to recover prepaid expenses and return funds to the Cashier's Office within five (10) working days.

5. ACCOMMODATIONS

Hotel accommodations will be reimbursed for a single/standard room. All reasonable efforts should be made to secure an available discount such as Ontario Hospital Association (OHA) or government rate.

A detailed copy of the hotel bill must be attached to the expense claim.

Cancellations

In the event that travel plans change, it is the responsibility of the employee to cancel a hotel reservation as soon as possible. To avoid charges, cancellations must be made in accordance with the hotel’s cancellation policy. The employee should record the cancellation number in case of billing disputes.

Payment in Lieu of Lodging

Stays with family or friends while out-of-town on hospital business is encouraged. An allowance of \$45.00 per day may be claimed in lieu of commercial accommodation. Receipts are not necessary to claim this allowance; however, a written explanation describing the purpose of the trip identifying the host and the number of days you stayed is required.

6. METHOD OF TRAVEL

The mode of transportation chosen should be that which enables persons to attend to SAH business with the least cost to SAH, consistent with the least amount of interruption to regular business and personal schedules. Consideration should be taken as to the length of time away from the workplace. Where a number of people attend the same function, shared travel will be considered and required where possible. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.

Air Travel

Support for flight reimbursement must contain both flight itinerary and receipt with Harmonized Sales Tax (HST) balance detailed.

Reservations & Class of Service

Airfare must be booked using the least expensive option available. All travel will be in economy class. Early bookings are strongly encouraged to get the best possible airfare.

Employees who purchase tickets from other sources at a higher cost will be reimbursed for the amount the ticket would have cost the Hospital if purchased through established contracts. Travelers are responsible for any additional expenses resulting from the use of an indirect route or stops along the way for personal reasons. Reimbursement is limited to the actual costs incurred or to the costs that would have been incurred using the normally traveled route, whichever is less.

Checked Baggage

SAH will pay for one checked bag in the event the travel includes an overnight stay. Deviations must be authorized by the employee's direct manager.

Rental Vehicle

SAH's preference is a rental vehicle, when road transportation is the most practical, economical way to travel and the driving distance is greater than 200 kilometers in a day.

Employees will not be reimbursed for any traffic or parking tickets resulting from business travel.

Travel by rental vehicle shall be reimbursed with original receipt where reasonable and required in the course of Hospital business.

Class of Car

Employees must rent a small or mid-sized vehicle. This decision should be 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. Rental of luxury or sports cars are prohibited.

Insurance

When renting a car for business purposes, the hospital's corporate insurance provides third party liability insurance as well as collision damage coverage. Employees must notify the car rental company that travel is for business purposes.

Parking and Tolls

Reimbursement is provided for necessary and reasonable expenditures when travelling for parking, as well as tolls for bridges, ferries and highways, when driving on Hospital business. Parking costs incurred in the local area as part of a regular commute to work will not be reimbursed.

Other

To avoid higher gasoline charges, refuel your rental car before returning it. Gasoline costs will be reimbursed upon provision of original receipt.

Personal Vehicle

Driving Distance in Excess of 200KM per Day

Travelers are strongly encouraged to rent vehicles for business travel instead of using a personal vehicle when the total distance to be driven in one day will exceed 200 kilometers. If a decision is made, with your approver, to utilize your personal vehicle request for travel in excess of 200 kilometres, reimbursement must be requested for lesser of the estimated cost of rental and fuel and the per kilometre rate established by the relevant collective agreement (where a collective agreement is not applicable, utilize \$0.47 per kilometre). Employees must complete and submit the “Personal Vehicle Use” tab on the electronic copy of the travel expense form.

Driving Distance Less than 200KM per Day

Reimbursement will be made at the per kilometre rate established by the relevant collective agreement (where a collective agreement is not applicable utilize \$0.47 per kilometre). The Hospital will assume no financial responsibility for the use of your own vehicle other than paying the kilometric rate. Employees must complete and submit daily logs to track the business use. Employees will not be reimbursed for vehicle repairs, maintenance, or fuel for personal vehicles.

Any reimbursement by kilometre will be based on travel from the hospital site to the business destination unless otherwise agreed to between the claimant and approver.

Insurance

Personal vehicles used for SAH business must be insured at the vehicle owner’s expense for personal motor vehicle liability. Drivers must satisfy themselves whether their motor vehicle insurance coverage includes business use of their vehicles.

Parking and Tolls

Reimbursement is provided for necessary and reasonable expenditures when travelling for parking, as well as tolls for bridges, ferries and highways, when driving on Hospital business. Parking costs incurred in the local area as part of a regular commute to work will not be reimbursed.

Taxis / Ride-Sharing

Receipts are required for all cab fare rides.

The preferred method of travel is ride-sharing (e.g., Uber or Lyft) as receipts are automatically issued and pick up and drop off locations being automatically provided. Luxury class rides/black car services are prohibited.

Tips/Gratuities

A reasonable gratuity of up to 10% will be permitted as an allowable expense.

7. MEALS (during Travel)

Reimbursement

Meal expenses will be reimbursed at the established meal reimbursement rates, regardless of the actual meal costs. This is a meal allowance. Taxes and gratuities are included in the meal reimbursement rates. Receipts are not required to be submitted with meal claims or retained.

Breakfast may only be claimed if the employee departs Sault Ste. Marie prior to 0700 hours and dinner may only be claimed if the employee returns after 1900 hours.

Meal Rates

Reimbursement for meal expenses incurred are subject to the meal reimbursement rates set out below. These rates are an allowance and include taxes and gratuities.

Breakfast	\$20.00
Lunch	\$25.00
Dinner	\$40.00

Other

Meal expenses should not be claimed when meal(s) are part of a conference, meeting or otherwise provided.

Claims for meals for persons other than Hospital employees that are related to Hospital business, must be accompanied by a receipt and be clearly identified on the receipt, indicating the name(s) of the person(s) who they were dining, and the organization they are with.

When two or more employees have shared a meal receipt, the most senior employee must pay for the meal. It is against SAH policy for an employee to pay for a shared meal with his/her manager. When claiming for multiple staff, clearly identify the names of employees dining on the expense reimbursement form. The individual will be reimbursed for the total of all meals purchased at the reimbursement rate for that meal.

Meal expenses are prohibited from being paid with a corporate credit card.

Alcohol cannot be claimed and will not be reimbursed as part of travel or meal expenses. Where possible, it is recommended that alcohol not be included on any receipt submitted for reimbursement.

8. PHONE CALLS / INTERNET CONNECTIVITY

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

Local Travel

Employees on authorized business travel are encouraged to use their hospital issued mobile phone (if applicable) and not incur hotel charges.

Travel Outside of Canada

Employees travelling outside of Canada with a requirement to be available for SAH business must contact the IT Service Centre 5 days prior to the trip to obtain an appropriate out-of-country data plan.

When travelling outside of Canada, failure to add a Data and Voice plan to your cellular device could result in you being held accountable for the additional charges to your cellular device.

Employees will be reimbursed for personal telephone calls while travelling on hospital business. The frequency and length of long-distance calls must be kept to a reasonable level.

Internet Use

Charges for internet use of a business nature will be reimbursed.

Other

Emergency calls from air or rail phone, work processing and photocopying services, and rental and transportation of necessary office equipment will be reimbursed while on authorized business travel.

9. HOSPITALITY

Hospitality is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are **not** engaged in work for a BPS organization, notably:

- SAH
- Other hospitals;
- Government ministries, agencies and public entities (i.e., Ministry of Health, Local Health Integration Network (LHIN), Cancer Care Ontario (CCO))

Hospitality Rules

Functions involving only people who work for the Hospital or other organizations included above are not considered hospitality functions and cannot be reimbursed as such.

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
- It is considered desirable as a matter of courtesy or protocol

Hospitality Examples

Examples of **appropriate hospitality** include:

- Honouring distinguished persons from the health care sector in recognition of exceptional public service
- Recruitment of physicians
- Sponsoring formal conferences for representatives of health service provider organizations, or for government, business or labour groups
- Conducting prestigious ceremonies that are attended by distinguished persons from the private or public sector

Where hospitality events are offered to or from vendors (current or prospective), leaders are responsible for reviewing the SAH Procurement Policy to ensure that the event does not give or is not perceived to give preferential treatment to any vendor or constitute a conflict of interest.

Prohibited Hospitality Examples

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
- Meals, snacks, beverages, gratuities, laundry or dry cleaning, valet services, dependents care, home management, or personal telephone calls for a consultant or contractor unless the contract specifically provides for it

Service of Alcohol at Hospitality Events

The Chair has the approval authority for the service of alcohol at a hospitality event. The Chair may delegate to the CEO, but no further delegation is permitted. Prior approval is required for each event.

Gift-Giving

Appropriate token gifts of appreciation, valued up to \$30, may be offered in exchange for gifts of service or expertise to people who are not employees of the Hospital. Gifts valued over \$30 must have prior approval by a Vice President or CEO.

Business Meals (not travel related)

Business meals are those taken with fellow SAH, SAH Board members or employees of other designated BPS organizations which do not involve travel and during which a specific business discussion takes place. Such meals must be considered beneficial to the business objectives of the hospital and not offered solely for the benefit of the employee(s).

Business meal expenses will be reimbursed consistent with the meal reimbursement rates, regardless of the actual meal costs. This is a meal allowance. Taxes and gratuities are included in the meal reimbursement rates. Receipts are not required to be submitted with meal claims or retained. Reimbursement for meal expenses incurred are subject to the meal reimbursement rates set out below.

Breakfast	\$20.00
Lunch	\$25.00
Dinner	\$40.00

In the case of a shared receipt, the highest ranking individual must pay for the meal expenditures. Expense submissions must include the names, titles, and organization of the individuals in attendance at the meal, and the business reason for the meeting on the expense reimbursement form. The individual will be reimbursed for the total of all meals purchased at the reimbursement rate for that meal.

In limited and exceptional circumstances (physician recruitment events for example), where a meal expense is higher than the meal reimbursement rate, the actual cost of the meal may be reimbursed. In these situations, the claim for meal reimbursement must be accompanied by an original itemized receipt and a written rationale for exceeding the rate. A credit card slip is not sufficient. Approval is subject to managerial discretion.

Alcoholic beverages cannot be expensed. If documented approval is received by the Chair, Board of Directors, reasonable expenses for limited quantities of alcoholic beverages may be permitted for physician recruitment events.

10. STAFF, PHYSICIAN AND VOLUNTEER EVENTS (INCLUDING BOARD AND BOARD COMMITTEE)

All events must be approved by a CEO or Vice President . These events are not considered “hospitality” as contemplated in this policy. The following are examples of events the expense for which may be funded by SAH:

- Annual Employee service milestone awards
- Physician recognition
- Annual Volunteer recognition
- Board of Directors recognition
- Annual Retirement event recognizing service to SAH
- The achievement of significant goals and priorities of SAH (e.g. accreditation success)

If individual departments or teams wish to hold their own holiday event or other social activities during the year for their staff, the costs must be covered by staff/vendors/other and the activities should take place during a time so as not to disrupt the regular operations of SAH.

11. CATERING

Catering differs from Hospitality (described above) in that Catering includes Hospital Employees whereas Hospitality does not. The provision of food and/or beverages, at hospital expense, is appropriate for the following hospital functions:

- Meetings which include physicians
- Meetings including members of the board
- Offsite meetings that require employees to: remain at facility; have a shortened lunch; work through lunch, have a meal that would normally not be had at work. Examples include meetings that extend beyond working hours and/or all day union negotiations
- Committees or groups with external guests and special events as approved by member of management at a Vice President level or above.

When catering is provided, care must be taken to minimize expenses and should not exceed the per person meal allowance indicated above.

12. REMOTE WORK

Out of pocket expenses for supplies or equipment will not be reimbursed unless agreed upon in advance by the employee's direct manager. Supporting documentation of approval received in advance must be included with the expense claim submission.

13. OTHER

Gift Cards

Only in rare and exceptional circumstances, with pre-authorized approval from a Vice President, will gift cards be approved for reimbursement. Supporting documentation of approval received in advance must be included with the expense claim submission.

Gift cards purchased by SAH are not to be provided SAH employees, physicians, students, and volunteers except in the event of honouring distinguished persons from the health care sector in recognition of exceptional public service. The "Shining Star" program is an example of this.

Care must be taken when selecting and approving gift card vendors as gift cards should not be used to purchase non-allowable expenditures such as alcohol.

Advances

SAH does not provide cash advances for any reason.

Miscellaneous Expenses

Miscellaneous expenses of a business nature must receive approval from a direct manager and will be considered for reimbursement by Finance. A description of the nature of the miscellaneous expense must be noted on the expense claim.

The following is a list of non-reimbursable expenses. This list is not meant to be all-inclusive but should serve as a guide:

- Airline club memberships
- Coffee, tea or daily snacks (outside allotted meals)
- Credit card late payment fees or interest charges
- Class of service upgrades

- Movies and videos
- Newspapers and magazines
- Non-business expenses of spouses (unless approved for a physician recruitment event)
- Drugstore items
- Parking and traffic tickets
- Excess luggage charges
- Frequent traveler membership costs or charges

14. PUBLIC REPORTING

The Hospital must post expense claim information on its public website for the following:

- Every member of the Board of Directors
- The CEO
- Every member of Senior Management that reports directly to the CEO

Hospitals must post the following information in respect of each travel, meal and hospitality claim made by individuals designated above:

- Type of expense claimed (i.e., Travel, Meal, Hospitality)
- Date on which the expense occurred
- Amount claimed
- A description of the expense

The annual public posting cycle is as follows:

Reporting Period	Public Reporting Date
April 1 to September 30	By November 30
October 1 to March 31	By May 31

Expenses for which SAH is reimbursed by external parties or subsequently by the employee will not be reported. It is the responsibility of the designated individuals whom have expenses reported to notify the Manager of Financial Services & Corporate Reporting of any external or personal reimbursement.

APPENDICES:

1. Standard Distances for Reimbursement of Travel Expenses
2. Travel Expense Form (*see second tab for Travel Expense Form Guidelines*)
3. Use of Personal Car on Trip in Excess of 200km Form

RELATED POLICIES:

- Signing Authority Policy
- Credit Card Policy
- Mobile Device Policy
- Conflict of Interest Policy