



## Administrative Policy

Sault Area Hospital

<b>SUBJECT:</b>	<b>TRAVEL &amp; REIMBURSEMENT OF EXPENSES</b>	<b>NUMBER:</b>	<b>6.13</b>
<b>APPLIES TO:</b>	All Staff, Physicians & Volunteers	<b>NEW/REVISED:</b>	Revised
<b>AUTHORIZED BY:</b>	Chief Financial Officer	<b>REPLACES:</b>	January 2011 Edition
<b>CATEGORY:</b>	Finance Controls & Procurement	<b>APPROVAL DATE:</b>	March 2011
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### POLICY

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

- Appointees;
- Board members;
- 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.

### 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 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
- 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.

## TRAVEL

### Authorization and Prepaid Expenses

Employees shall obtain **written** approval for the proposed travel from the respected signing level **before** any arrangements are made. The written approval should accompany all expenses reimbursement claims.

Approval levels are as follows:

Role	Approval
Board Chair	Not applicable
President & CEO	Board Chair
Vice President	President & CEO
Director	Vice President
Manager	Director
Employee	Manager

Requests for pre-payment of expenses such as conference registration or airfare shall be made by completing a Purchase Payment Requisition Form. These requests shall be forwarded to Accounts Payable at least three (3) working days prior to the trip and must be approved by the appropriate signing level. Requests for pre-payment of conference fees require confirmation that the requestor is registered in the conference in order for payment to be processed by Accounts Payable.

Employees must take advantage of timing related discounts, e.g. early registration, advance airfare booking, whenever possible.

When an employee's travel plans are cancelled before the trip, their manager shall be notified. If any prepaid expenses or cash advances have been incurred, the employee shall make arrangements to recover prepaid expenses and shall return cash advances to the Cashier's Office within five (5) working days.

### Travel Advance

Employees may request a travel advance to cover expenses for an authorized trip up to a maximum of \$500.00. Pre-payment for conference registration can be arranged in accordance with the Credit Card Policy.

Requests for travel advances shall be made by submitting an approved Purchase Payment Requisition Form to Accounts Payable at least three (3) days in advance of when required.

Within five (5) working days of travel the employee must return any residual cash advances to the Cashier's Office.

### Accommodation

Actual cost of hotel accommodation with original receipt. Reimbursement will be made for a single accommodation in a standard room.

If staying with family or friends while out-of-town on hospital business, an allowance of \$30.00 per day may be claimed in lieu of commercial accommodation including meals. 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. The \$30.00 value may be given in the form of a small gift (which must be accompanied by an original receipt).

### Air Travel:

Air travel will be reimbursed to a maximum of the economy class fare. Any change must have prior written approval of the Chief Executive Officer (CEO). Considerations for making decisions should be based on circumstances such as accommodation, length of travel, health and safety considerations, etc.

Airfare must be booked using the least expensive option available. 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.

## **Vehicle**

### Rental Vehicles

Travel by rental vehicle shall be reimbursed where reasonable and required in the course of Hospital business. When road transportation is the most practical, economical way to travel and the driving distance is greater than 200 kilometers in a day, the preference is a rental vehicle. Employees must rent a small or mid-sized vehicle 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. Gasoline costs will be reimbursed upon provision of original receipt.

### Personal Vehicle:

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, keep daily logs to track the business use. Vehicle repairs or maintenance for personal are ineligible.

### Re-imbusement and Rates

Rates may be established in a collective agreement, and, if they are not, the following rate applies \$0.42. It will also be based on travel from the hospital site to the business destination unless otherwise agreed to between the claimant and approver.

### 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. Parking costs incurred in the office area as part of a regular commute to work will not be reimbursed. 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.

### **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).

#### Tips/Gratuities

You may be reimbursed for reasonable gratuities for porter, hotel room services, and taxis. Keep a record of gratuities paid. Examples of reasonable amounts for gratuities include:

- 10%-15% on a restaurant meal
- 10% on a taxi fare
- \$2-\$5 for housekeeping for up to two nights in a hotel, up to \$10 for a longer stay
- \$2-\$5 per bag for a porter

#### 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 to handle long distance or roaming charges. Wherever possible, you are expected to use the least expensive means of communication, such as:

- Calling cards; and
- Internet access through the Hospital network.

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

**MEALS**

Meal expenses will be reimbursed within the following (maximum) limits and upon provision of original itemized receipts. Reimbursement is for restaurant/prepared food only. Reimbursement for groceries must have the prior approval and a written rationale must be submitted within the claim. The rates are not an allowance. They are for individual meals; you must have eaten the meal to be able to submit a claim for reimbursement. Taxes and gratuities are included in the meal rates:

Breakfast	\$10.00
Lunch	\$15.00
Dinner	\$25.00

If itemized receipts are not provided, meal expenses will not be reimbursed. Credit card slips are not sufficient.

Where travel is for a partial day, 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. When more than one meal is claimed for any day, you may allocate the combined maximum rates between the meals. For example, if you will be eating breakfast and lunch, the combined rate is \$25.00. This now becomes the maximum rate for the two meals, regardless of what you spend on each meal. Note that it is not permitted to use a combined maximum rate and not claim for each of the meals. For example, it is not permitted to combine the maximum amounts for breakfast and lunch (\$25.00) to claim for brunch. Nor is it permitted to combine the maximum 3-meal rate (\$50.00) if only 2 meals are eaten.

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

The most senior person present shall submit the expense claims; expenses cannot be claimed by an individual incurred by his/her approver.

**Expenses related to alcohol cannot be claimed and will not be reimbursed as part of travel or meal expenses.**

**Travel Claim**

Travel Expense Statements must be completed in full by the claimant within fifteen (15) working days of return, listing all eligible expenses, travel advances and cash advance refund information, if applicable. A written explanation is required if not submitted within this timeframe. Travel Expense Forms are available on SAH custom templates and must be approved by the employee's manager prior to being submitted to Accounts Payable for payment.

It is the responsibility of the employee to ensure that expenses are itemized and all original receipts are provided in accordance with this policy. Photocopies, credit card statements or Interact slips are not permissible.

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.

## **HOSPITALITY**

Hospitality is the provision of food, beverage, accommodation, transportation and other amenities at public expense to people who are not engaged in 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.

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. Prior written approval is required for hospitality events where alcohol will be served.

### 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 written 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 engaged in work for the Hospital. Gifts valued over \$30 must have prior approval.

## **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.

## **GENERAL**

### Timelines for Reimbursement of Expenses

Accounts Payable shall reimburse travel expenses within eight (8) working days of the date that expenses are submitted.

Note that 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

Good record-keeping practices must be maintained for verification and audit purposes. All expense claims are subject for internal review from the Finance department.

**APPENDICES:**

1. Standard Distances for Reimbursement of Travel Expenses
2. Travel Expense Form (*see second tab for Travel Expense Form Guidelines*)