BOARD OF DIRECTORS MANUAL

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REIMBURSEMENT OF EXPENSES

Purpose:

To establish allowable expenses for reimbursement in the following four major areas:

1. Personal Business Expenses (Appendix A)
   - 1.1. Travel and Transportation
   - 1.2. Meals
   - 1.3. Alcohol
   - 1.4. Accommodations
2. Hospitality (Appendix B)
   - 2.1. Provision of Hospitality
   - 2.2. Providing Alcohol
   - 2.3. Acceptance of Hospitality
3. Hospital Events (Appendix C)
   - 3.1. Staff Events and Receptions
   - 3.2. Staff Recognition
   - 3.3. Gifts
4. Perquisites (Appendix D)

Policy:

The Hospital will reimburse staff for business expenses, which are reasonable out-of-pocket expenditures incurred in the performance of hospital business.

For the purpose of this policy, “staff” includes all hospital employees, credentialed staff, Board members and other individuals engaged in hospital business and who intend to receive travel and expense reimbursement under this policy.

Reimbursable business expenses must:

(a) Be work related;
(b) Be modest, appropriate and reasonable;
(c) Strike a balance among economy, health and safety, and efficiency of operations; and

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(d) Be submitted in a timely fashion, and in the form and manner stipulated under this policy.

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

(a) Expenses resulting from unlawful conduct;
(b) Traffic and parking violations incurred while driving on hospital business;
(c) Recreational purposes (e.g. entertainment, mini-bar purchases, special facilities charges, entertainment not directly related to hospital business, etc);
(d) Personal items not required to conduct hospital business;
(e) Memberships to reward programs or clubs (e.g., fitness or airline clubs)
(f) Social events that do not constitute hospitality as described in Appendix B;
(g) Alcoholic drinks, unless part of hospitality as described in Appendix B;
(h) Expenses incurred due to the presence of friends or family members, unless part of hospitality as described in Appendix B; and
(i) Credit card fees and late payment charges on personal credit cards.

Consultants are persons providing services to the hospital on an independent contractor basis, and who are not employees of the hospital. For greater clarity, consultants are not considered "staff" and therefore are not covered by this policy. Consultants should seek reimbursement only for expenses explicitly detailed in the consultant's contract and consistent with the Broader Public Sector Expenses Directive.

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 the hospital and a consultant or contractor. Therefore, they cannot claim or be reimbursed for such expenses, including:

- Meals, snacks and beverages
- Gratuities
- Laundry or dry cleaning
- Valet services
- Dependent care
- Home management
- Personal telephone calls

Procedure:

Cheque or direct bank deposit reimbursement – to be used for reimbursement of all expenses greater than $50 (and strongly recommended for expenses $50 or under).

1. Staff must complete a Cheque Request Form #520 for reimbursable expenses. The form must clearly state the following:
   (a) To whom the payments should be made;
   (b) A description and date of the expenditure;
   (c) The business purpose of the expenditure;
   (d) If the reimbursement is for costs incurred on behalf of other individuals (e.g. meals purchased on behalf of a group), the names and titles of those other individuals included; and
   (e) The proper account code(s) to be charged.

2. Original, itemized receipts must be attached to the completed reimbursement request form.

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3. The form must be signed by the individual requesting reimbursement.

4. The form must be properly approved by the individual's VP/Director/Manager or designated employee. That is, the staff's immediate supervisor can approve their employees' business expenses when within approved limits. VPs/Directors/Managers can NOT approve their own business expenses for reimbursement. These must be approved by the CEO or Vice President. CEO expense reimbursements must be authorized by the Board Chair or Vice Chair.

5. Completed and approved forms should be forwarded to Accounts Payable within 30 days of the date of transaction to be processed for payment. If leaving employment of the hospital, staff must submit any reimbursement claims for expenses before leaving the organization.

Petty Cash Reimbursement – should be used only to process cash payments for emergency purchases of supplies and services that are valued under $50.

1. Staff must complete a Cheque Request Form #520 marked "Petty Cash Request" for reimbursable expenses. The form must clearly state the following:
   (a) To whom the payments should be made;
   (b) A description and date of the expenditure;
   (c) The business purpose of the expenditure;
   (d) If the reimbursement is for costs incurred on behalf of other individuals (e.g. meals purchased on behalf of a group), the names and titles of those other individuals included; and
   (e) The proper account code(s) to be charged.

2. Receipts or other supporting documentation must accompany ALL petty cash requests.

3. The form must be signed by the individual requesting reimbursement.

4. All petty cash requests must be authorized by a VP/Manager/Director or designated employee. VP/Manager/Director can NOT approve their own business expenses for reimbursement; these must be approved by the CEO or Vice President. CEO expense reimbursements must be authorized by the Board Chair or Vice Chair.

5. Completed and approved forms should be submitted to the Accounting Clerk for replenishment of petty cash funds.

References:
Ontario Broader Public Sector Expenses Directive July 1, 2011
Ontario Broader Public Sector Perquisites Directive August 2, 2011
OHA Hospital Expense Policy Guidelines March 2010

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February 2018 revised
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Appendix A – PERSONAL BUSINESS EXPENSES

1.1 Travel and Transportation

When possible, travel should be approved in advance by a claimant's immediate supervisor. Pre-approval should be documented (e.g. email) and attached to the travel reimbursement claim.

When a number of staff members are attending the same function, shared travel is strongly recommended where possible and appropriate.

The mode of transportation chosen should be that which enables the member to attend to hospital business with the least cost to the hospital, consistent with the least amount of interruption to the members' regular business and personal schedules. Consideration should be taken as to the length of time away from the workplace.

Basic economy/coach fares will be paid by the hospital. Any upgrades would be the responsibility of the staff member.

The use of toll highways, including but not limited to Highway 407 (ETR), is reimbursable; however, the use of such routes should be limited and is subject to management approval.

Travel with others (i.e., spouse, partner or friends), including meals and other expenses, are not covered and must be paid for by the staff member.

When personal travel is combined with business travel, the staff member will be reimbursed for only the business portion of the trip at the lowest available fare. Personal travel does not include travel to or from home when travelling for business.

In the event that travel is cancelled, any travel expenses that have been reimbursed to the staff member by the vendor, including but not limited to the cost of train or flight tickets, must be reimbursed to the hospital within thirty (30) days of such cancellation.

Travel by Personal Vehicle

The hospital assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when used for hospital business. Those driving a personal vehicle on hospital business cannot make claims to the hospital for damages as a result of a collision.
Personal vehicles (a vehicle owned, borrowed or rented/leased personally by a member of staff) used on hospital business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage should be equal to or greater than the minimum liability specified in the Insurance Act. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles. The hospital will not reimburse costs of collision and liability coverage.

When staff use their own vehicles for hospital business, reimbursement will be in accordance with the hospital's approved kilometre allowance, which is the rate established by the Ministry of Government Services of Ontario for 0 – 4000 kilometres for Southern Ontario. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance. Standard return kilometers are attached as Appendix E.

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Travel by Rental Vehicle

In circumstances where a rental vehicle is more economical or practical than use of a personal vehicle, rental of a compact or mid-size vehicle is encouraged. Staff are required to use car rental companies approved by the hospital where possible to ensure the most favourable rates. Consideration may be given for a car rental upgrade based on the number of passengers, weather conditions and other safety reasons. However, all luxury and sports car rentals are expressly prohibited.

Rental cars must be refueled before returning to avoid extra charges.

Receipts for gasoline purchases, parking lots charges and applicable bridge or highway tolls must be submitted with expense reports.

Travel by Taxi/ Ride Sharing

The use of taxis/ride sharing by staff should be reasonable. Examples of when taxis may be appropriate include:

- Situations requiring transportation between other facilities and the hospital (e.g., to return to work after accompanying a patient via an ambulance transfer to another facility);
- Situations requiring transportation between stations or airports and the hospital;
- Transportation from the hospital to home well after normal work hours where other forms of transportation (including public transit) are unavailable or are determined to be unreasonable;
- Transportation home from a staff event, or an event supporting hospital business; and,
- When it is at the discretion of staff member's supervisor.

Where possible, staff are encouraged to use taxi companies approved by the hospital to ensure the most favourable rates.

Original receipts must be submitted with expense reports.

Travel by Train

It is expected that staff will choose the most economical and direct form of transportation by train. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.

Original receipts must be submitted with expense reports.

Travel by Air

Staff may travel by air for trips that are beyond reasonable driving distance. Prior approval for all travel by air must be obtained and documented in writing.

Staff should travel Economy class for all domestic and international air travel. Every effort should be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with necessary travel requirements.

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Original receipts must be submitted with expense reports.

1.2 Meals

Staff may be reimbursed for reasonable meal expenses, subject to approval by the claimant's immediate supervisor, if:

- expenditures are incurred while the claimant is away from their place of work on hospital business; or
- the claimant is required to work during or through normal meal periods while travelling on hospital business.

Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses. Reimbursement must not exceed the amount actually spent (including taxes and gratuities) as validated by a receipt accompanying the claim. Meal reimbursement must not exceed $60 per day ($15 for breakfast, $15 for lunch, $30 for dinner).

Reasonable gratuities up to a maximum of 15% will be reimbursed.

No reimbursement shall 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 unless otherwise approved by the CEO or Board Chair.

When a staff member is authorized to pay for meals of others, expenses reports must include a brief explanation of the event and a list of those in attendance. The highest-ranking member of staff must pay for the meal expenditures.

The hospital will not reimburse alcoholic beverages consumed during a meal unless eligible under certain circumstances as outlined in the "Alcohol" section of this policy below.

1.3 Alcohol

Costs incurred for alcoholic beverages are not reimbursable and staff are encouraged to ask for a separate invoice when having alcohol with their meals.

Consumption of alcoholic beverages during an event supporting hospital business may be reimbursed only if approved by the CEO, Board Chair or a Vice President. If such approval is issued, preferably in advance, the approving individual must clearly articulate explicit limitations on the amount that may be reimbursed for alcohol-related expenses. The invoice detailing the alcoholic purchase must be initialed by the person approving the expense.

1.4 Accommodations

Staff should use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. No reimbursement will be made for suites, executive floors, or concierge levels. Where possible, staff are encouraged to take advantage of discounted hotel rates provided by the event being attended.

Staff are responsible for all room charges and must review the hotel bill carefully to ensure all charges are correct. A detailed copy of the hotel bill must be attached to the expense report.

Standard tips and gratuities are reimbursable but should be documented on the expense report.

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Staff will not be reimbursed for entertainment, laundry service, pay TV or movies, alcohol or special facility charges (e.g. fitness clubs).

Whenever possible, the most cost-effective method of long-distance calls should be used (e.g., hospital-issued cell phones or calling cards) in order to minimize costs. Charges and long-distance costs for business costs will be reimbursed. Reimbursement will be made for reasonable costs for necessary personal calls; however, discretion should be used in the frequency and length.

While travelling on hospital business, additional business expenses not otherwise covered will be reimbursed, such as computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to hospital business.

The hospital expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

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Appendix B – HOSPITALITY

Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at the hospitals' expense to persons who are not engaged in work for the hospital.

2.1 Provision of Hospitality

Hospitality expenses should only be reimbursable if a reasonable ratio of staff to persons who are not engaged in work for the hospital is demonstrable.

Hospitality should be extended in an economical, consistent and appropriate way when it will facilitate hospital business or is considered desirable as a matter of courtesy.

Functions that are exceptions to the above must have prior approval of the CEO or the CEO's delegate.

Where hospitality events are hosted by the hospital, and where the guests include vendors (current or prospective), VPs/Directors/Managers are responsible for obtaining prior approval to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.

Hospitality may be extended on behalf of the hospital when:

- Engaging representatives of other hospitals, the government, Ontario Health, the broader public sector, industry, public interest groups or union representatives in discussion on hospital matters;
- Hosting community engagement activities or community health-related events;
- Sponsoring formal conferences for representatives of health service provider organizations, or for government, Ontario Health, business or labour groups;
- Providing persons from national or international organizations and charitable organizations with an understanding and appreciation of the hospital sector or the workings of the organization;
- Honouring distinguished persons from the health care sector in recognition of exceptional public service; and
- Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector.

2.2 Providing Alcohol

The decision to provide alcohol as part of hospitality should be made by the CEO or the CEO's delegate and should be consistent with the principles of this expense policy.

In circumstances where alcohol is approved, appropriate measures must be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.

Providing alcohol should be limited to meals and receptions.

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2.3 Acceptance of Hospitality

Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest and may therefore be prohibited. VPs/Directors/Managers are responsible for ensuring that staff are aware of their conflict-of-interest obligations.

Staff shall not accept hospitality from vendors where such hospitality is or could be perceived to be for personal benefit. This includes attendance at various third-party events, including but not limited to sporting events, entertainment, dinners or speaking engagements.

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APPENDIX C - HOSPITAL EVENTS

3.1 Staff Events and Receptions

On an annual basis, the Leadership and Quality Committee will determine the number of, timing, budget, and practicality of staff events and receptions, such as holiday socials.

If, in addition to hospital events and receptions, individual departments and/or units/teams wish to hold their own social activities during the year for their staff, the costs should be covered by staff and the activities should take place during a time so as not to disrupt the regular operations of the hospital.

The decision to provide alcohol at the staff event/reception must be approved by the CEO or the CEO's delegate, and appropriate measures must be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event/reception.

All staff event or reception expenses must be reasonable.

Events or receptions held on hospital premises must be approved by the appropriate department VP or CEO.

3.2 Staff Recognition

Recognition events, such as service milestones or retirement events, should be designed to recognize, reinforce or promote positive behaviours and performance that support hospital values, goals and objectives.

If alcoholic beverages are served at any recognition event, it should be approved by the CEO or the CEO's delegate, and appropriate measures must be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.

Generally, monetary awards should not be granted to staff as part of any recognition program and/or activity. Recognition gifts should be in accordance with section 3.3 of this policy and compliant with Canada Revenue Agency rules.

3.3 Gifts

"Gifts" include, but are not limited to, flowers, cards, gift certificates, and gift cards, but may not include:

- cash or cheques

Token gifts of appreciation, valued at up to $100 (all inclusive including taxes, delivery charges, etc), may be extended to staff and must be approved by the individual's supervisor as long as the total is within their authorization limit.

Gift values above $100 (all inclusive including taxes, delivery charges, etc) must be justified and approved by the VP of the program area or CEO.

Gifts of appreciation may be extended to persons who are not staff of the hospital in exchange for pro bono services, including those provided at professional development events, and must be approved by the appropriate VP of the department/program area or CEO. The names of the

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non-members of staff receiving gifts and the reason for the gifts must be included as supporting documentation with the expense reimbursement claim.

All gifts must be appropriately documented, including the individual receiving the gift, the individual who approved the gift, the reasons for the awarding of the gift, the contents and cost of the gift itself, and any other pertinent details. Accurate records must be maintained in order to demonstrate the reasonableness and appropriateness of any gift.

Awarding gifts must be compliant with Canada Revenue Agency rules. A gift or award, whether near-cash or non-cash, given to an employee is a taxable benefit from employment. A near-cash item is one that can be easily converted to cash such as a gift certificate or gift card.

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Appendix E: PERQUISITES

The term perquisites, or perks, refers to a privilege that is provided to an individual or to a group of individuals, provides a personal benefit, and is not generally available to others. Perquisites are items that are provided by the employer or reimbursed by the employer. They are not items paid by an individual, for example, a discounted rate provided to businesses by a gym.

A perquisite is allowable only in limited and exceptional circumstances where it is demonstrated to be a business-related requirement for the effective performance of an individual's job. An allowable perquisite must be approved by the appropriate authority.

Perquisites are not allowable if they are not business-related requirements for the effective performance of an individual's job.

Perquisites do not include:

- provisions of collective agreements
- insured benefits
- items generally available on a non-discriminatory basis for all or most employees (e.g. an employee assistance program)
- health and safety requirements (e.g. provision of work boots)
- employment accommodations made for human rights and/or accessibility considerations (e.g. special workstations, work hours, religious holidays)

Perquisites that are not allowed include such items as:

- club memberships for personal recreation or socializing purposes, such as fitness clubs, golf clubs or social clubs
- seasons tickets to cultural or sporting events
- clothing allowances not related to health and safety or special job requirements
- professional advisory services for personal matters, such as tax or estate planning.

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Appendix E: STANDARD RETURN KILOMETRES

Kilometric allowances are to be calculated on the basis of the standard return kilometers noted below. Kilometers based on the odometer readings will be allowed in those cases for which a standard does not exist.

Standard Return Kilometers from Cobourg to:

Ajax	150
Barrie	410
Belleville	150
Bowmanville	90
Campbellford	145
Haliburton	225
Kingston	280
Lindsay	175
Newmarket	280
Oshawa	125
Peterborough	110
Toronto – Airport	260
Toronto – OHA/Rogers Centre	240
Toronto – Yonge & Finch	230
Trenton	120
Uxbridge	210
Whitby	135

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