

 <p>St. Francis Memorial Hospital</p> <p>Policy & Procedure</p>	Policy Name: Draft General Travel Expense and Hospitality	Manual Administration
	Last Reviewed / Revised Date: Reviewed: Revised: Apr 5, 2011	Category : Finance
	Approved by: Chief Operating Officer	Original Date: July 04, 2008
	Signature	Committee/Dept Review:

The St. Francis Memorial Hospital (SFMH) is committed to meeting all leading practices, guidelines and the Broader Public Sector (BPS) Expenses Directive (Directive) for the administration of expenses in publicly funded institutions.

This policy sets out the acceptable limits and the procedure for expense reimbursement for [staff and Board of Trustees](#) conducting corporate business, for consultants and contractors engaged by SFMH to provide consulting or other services, for staff extending hospitality on behalf of the Hospital, and for staff accepting hospitality on behalf of the Hospital.

1.0 PERSONAL BUSINESS EXPENSES

Reimbursable business expenses should be:

- work-related;
- be modest, appropriate and reasonable;
- strike a balance among economy, health & safety, and efficiency of operations; and,
- be submitted in a timely fashion, and in the form and manner stipulated under this policy.

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

- expenses resulting from unlawful conduct
- traffic and parking violations incurred while driving on Hospital business.
- recreational purposes (e.g. video rentals, mini-bars, special facilities charges, entertainment not directly related to hospital business, etc.)
- personal items not required to conduct hospital business
- memberships to clubs such as Airline clubs
- social events that do not constitute hospitality as described in 2.0
- alcoholic drinks, unless part of meals as described in 1.2
- expenses incurred due to the presence of friends or family members, unless part of hospitality as described in 2.0
- hotel expenses incurred because of failure to cancel reservation.
- credit card fees and late payment charges.
- additional ancillary charges such as premiums for failure to refill fuel in a rental car.

1.1 TRAVEL

Travel and Transportation:

- When possible, travel should be approved in advance by a claimant's manager. Pre-approval should be documented (e.g. email) and attached to the travel claim.
- Where a number of staff members are attending the same function, shared travel should be considered and required where possible.
- The mode of transportation chosen--air, train, or car, 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 member's regular business and personal schedules. Consideration should be taken as to the length of time away from the workplace.
- 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.

Travel by Vehicle

- When road transportation is the most practical and economical way to travel, the order of preference should be:
 - rental vehicle when a rental vehicle is more economical than use of a personal vehicle; or,
 - personal vehicle when a personal vehicle is more economical than use of a rental vehicle.

Rental Vehicles

- Rental of compact or mid-size vehicles is encouraged and staff should be 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 should be expressly prohibited.
- Collision and liability insurance offered by the car rental companies should be purchased for replacement value for rental cars.
- Rental cars must be refueled before returning to avoid extra charges.
- Receipts for gasoline purchases, parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.

Personal Vehicles

- Personal vehicles 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.
- For greater clarity, 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.

- When staff use their own vehicles for hospital business, reimbursement will be in accordance with the approved kilometre allowance. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance.
- Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.

Taxis

- The use of taxis by staff should be reasonable.

Travel by Train

- It is expected that members of 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 best price.

Travel by Air

- Staff may travel by air for trips that are beyond reasonable driving distance.
- Staff should travel Economy class for all domestic and international travel unless pre-approved by their Supervisor.

1.2 MEALS

Business Meals (includes meals when travelling for business)

- Staff are reimbursed for reasonable meal expenses, subject to approval by the claimant's manager, if the expenditure is incurred when the claimant is away from his or her place of work 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.
- Reasonable gratuities of up to 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.
- Meal expenses incurred for business meetings over the meal period are appropriate when suitably justified and documented. Caution should be exercised to ensure that such sessions are the exception rather than the rule and that business meetings are not routinely scheduled over meal periods. Meals for such meetings should whenever practical be catered in and should follow the limits as stated below.
- When a staff member is authorized to pay for meals of others, expense reports must include a brief explanation of the event and a list of those in attendance.

- A reasonable meal cost including a 15% maximum for gratuities will be reimbursed with proof of receipts.

1.3 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.
- Staff should be responsible for all room charges and must review the hotel bill carefully to ensure all charges are correct. A copy of the hotel bill must be attached to the expense report.
- Staff will not be reimbursed for entertainment, laundry service, pay TV or movies, alcohol or special facility charges i.e. fitness club.
- Long distance business and personal calls are reimbursed, however discretion should be used in the frequency and length. Reimbursement will be made for reasonable costs for necessary personal calls home for each night away.
- Standard tips and gratuities are reimbursable, but should be documented on the expense report.
- 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 that discretion shall be applied with respect to any expense incurred and reserves the right to limit reimbursement to reasonable costs.

Long-distance calls

Wherever possible, the most cost-effective method should be used, whether hospital-issued cell phones or calling cards, in order to minimize costs.

2.0 HOSPITALITY

2.1 PROVISION OF HOSPITALITY

- Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at the hospital's expense to persons who are not engaged in work for the hospital.
- 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 extended by the hospital, and where the guests include vendors (current or prospective), 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, the broader public sector, industry, public interest groups or union representatives in discussion on hospital matters;
- Sponsoring formal conferences for representatives of health service provider organizations, or for government, 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.
- The decision to provide alcohol as part of hospitality should be made by the CEO and should be consistent with the principles of the expense policy.
- In circumstances where alcohol is approved, appropriate measures should be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.

2.2 ACCEPTANCE OF HOSPITALITY

- Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest. Managers are responsible for ensuring that staff are aware of their conflict of interest obligations.
- Staff should ensure that they avoid the appearance of impropriety or favoritism when accepting hospitality from vendors (current or prospective). Staff attendance on behalf of a hospital at various third party events, including but not limited to sporting events, entertainment, dinners or speaking engagements, must not violate the hospital's conflict of interest obligations, nor should such attendance *appear* to violate those obligations.

3.0 Consultants

3.1 CONSULTANT EXPENSES

- Consultants are not considered staff and therefore should not be covered by personal business expense policies.
- Consultants should seek reimbursement only for expenses explicitly agreed to by the consultant and the hospital, and as detailed in the consultant's contract.

- The contract between the hospital and the consultant should clearly detail any and all reimbursable expenses.

Acceptable Limits on Staff and Board of Trustees Offering Hospitality

Reimbursable hospitality expenses must:

- demonstrate a reasonable ratio of staff and Board of Trustees to persons who are not engaged in work for the Hospital; and
- be extended in an economical, consistent and appropriate way when it will facilitate Hospital business or is considered desirable as a matter of courtesy.

The CEO:

- must pre-approve in writing any exceptions to the above;
- must pre-approve in writing the attendance of vendors (current or prospective) to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor; and
- must pre-approve in writing if alcohol is being offered as part of the hospitality (e.g., served with food).

Note: 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, usually a meal or reception.

GLOSSARY OF TERMS

Authorization – The approval of a General Expense Statement or Mileage Statement by the appropriate person with adequate signing authority. Authorization requires the immediate supervisor's approval as long as the expense claim amount is within their approval limit and budget. If the amount exceeds the immediate supervisor's approval limit, the approval is performed by the supervisor's supervisor. The Chief Executive Officer's claims are approved by the Hospital's Board of Trustees.

Business Expenses – Reasonable expenses incurred by staff in the course of performing their duties. This excludes any expenses for an accompanying friend or family member and any expenses for the personal part of travel if business and personal travel is combined in one trip.

Hospitality – For the purposes of the BPS Expense Directive and this Policy, *hospitality* is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:

- designated BPS organizations (i.e. those covered by the BPS Expenses Directive), or
- any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive.

Functions involving only those people in the organizations listed above 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 directive, or by the OPS Travel, Meal and Hospitality Expenses Directive. Examples would be: office social events, retirement parties and holiday lunches.

Consultants/Contractors – 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 to be considered “staff”; that term is defined below.

Managerial Discretion -- For the purposes of the BPS Expenses Directive and this Policy, 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 the BPS Expenses Directive and this Policy.

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.

Receipt – An original document, or carbon or certified copy, with the details of the expenditure, the amount, the date and indicating proof of payment.

Staff – For the purposes of this Policy, “staff” includes all Hospital employees, credentialed staff, Board of Trustees, outsourced service staff and other individuals engaged in Corporate business and who intend to receive travel and expense reimbursement under this policy. See also [Consultants/Contractors](#) above.

SOURCE: Adapted from [Broader Public Sector Expenses Directive, Management Board of](#)

[Cabinet, Effective 1 April 2011.](#)

REFERENCES: [Broader Public Sector Expenses Directive, Management Board of Cabinet, Effective 1 April 2011](#)

PROCEDURES:

Procedure for Expense Reimbursement

<p>Claimant's Responsibilities (Staff)</p>	<ol style="list-style-type: none"> 1. Ensure that reimbursable business expenses support business objectives; are modest, appropriate and reasonable; and strike a balance among economy, health and safety, and efficiency of operations. 2. Complete the SFMH Cheque Request Form, assign the MIS account number, print the document and sign. Note: If actual business expenses are incurred on behalf of other individuals, include the name and companies of all individuals on the statement. 3. Attach original, itemized receipts for all actual expenses and boarding passes or tickets / e-tickets for air and train travel 4. Submit the completed statement and receipts to the authorized approver for reimbursement within one month of incurring the expense; if submission is delayed, please include a note explaining the reason(s) for the delay; if you are unable to comply with some aspect of this process (e.g., lost receipt) submit a written explanation with the claim to provide the approver with adequate information for decision-making Note(s): <ul style="list-style-type: none"> ▪ In the event that travel is cancelled, any travel expenses that have been reimbursed to the claimant 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 ▪ If leaving SFMH, submit any claims for expenses before leaving the organization
<p>Claimant's Responsibilities (Consultant or Contractor)</p>	<ol style="list-style-type: none"> 1. Obtain an invoice for reimbursable expenses as per the contract between the consultant / contractor and SFMH Notes: <ul style="list-style-type: none"> ▪ Reimbursement for allowable expenses can be claimed and reimbursed only when the contract specifically provides for it. ▪ In no circumstances can hospitality, incidental or food expenses be

	<p>considered allowable expenses for consultants and contractors under this Policy or in any contract between SFMH and a consultant or contractor.</p> <ul style="list-style-type: none"> ▪ The BPS Expenses Directive prevails over the relevant terms of any contract if there is any conflict or inconsistency between them. This Directive does <u>not</u> prevail over a collective agreement between SFMH and a bargaining agent representing employees of SFMH. <p>2. Attach receipts for all actual expenses and boarding passes or tickets / e-tickets for air and train travel</p> <p>3. Submit the completed statement and receipts to the authorized approver for reimbursement within one month of incurring the expense; if submission is delayed, please include a note explaining the reason(s) for the delay</p> <p>Note: In the event that travel is cancelled, any travel expenses that have been reimbursed to the claimant 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</p>
<p>Authorized Approver</p>	<ul style="list-style-type: none"> ▪ Employee - submit to your manager ▪ Chief Executive Officer (CEO) – submit to Chair of Board of Trustees or delegate ▪ Credentialed staff - submit to Chief of Staff or CEO ▪ Board of Trustees - submit to Chair of Board of Trustees or CEO ▪ Consultants / Contractors – submit to CEO, or CFO as identified in the contract
<p>Approver’s Responsibilities</p>	<p>1. Ensure all claims and receipts are correct, reasonable and in compliance with the BPS Expenses Directive, and:</p> <ul style="list-style-type: none"> a. this Policy and the contract with a consultant or contractor if applicable. <p>Notes:</p> <ul style="list-style-type: none"> ▪ Staff, including the CEO and Chief of Staff, do <u>not</u> approve your own expenses; expenses for a group can only be claimed by the most senior person present; if a subordinate’s claim has paid ▪ for expenses incurred for your benefit, submit this claim to your supervisor for approval ▪ In the event that the expenses exceed your approval authority as defined in the Corporate Procurement Policy, submit this claim to your supervisor for approval ▪ When using managerial discretion document the rationale and append it to the claim. <p>2. Assign the MIS Account Number for expenses submitted by a consultant or contractor</p>

	<ol style="list-style-type: none"> 3. Sign the statement 4. Submit the approved statement and receipts to Accounts Payable
<p>Accounts Payable Responsibility</p>	<ol style="list-style-type: none"> 1. Ensure that the claimant's and the approver's signatures are on the form submitted to you and that all receipts are appended. Note: If a signature or receipt is missing, return the form to the claimant or approver for completion. 2. Charge the expenses to the MIS Account Number assigned by the claimant or approver Note: If no MIS Account Number is assigned, return the statement to the claimant or approver for completion 3. Issue a cheque less any advances, for the reimbursed business expenses to the claimant or Issue cash to the claimant on the form from petty cash for amounts less than \$50. Note: All petty cash transactions are receipted at the time of the transaction and reviewed by the CFO as part of the petty cash reimbursement process 4. Retain approved statement and original receipts for seven years 5. Expense claims and reimbursements are audited on an annual basis by SFMH external auditors as part of the regular Purchases, Payable, Payments audit process