



| | |
|----------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |
| Date of Issue: | March 31, 2011 |
| Authorized By: | May Chang VP Corporate Services and CFO |
| Next Revision: | 10/02/2014 |

1.0 PURPOSE AND SCOPE

It is recognized that occasionally individuals (including staff, physicians, volunteers, board members, outside contractors and consultants) will incur hospitality, travel and business expenses related to Hospital business. The objective of this policy is to outline the expenses that qualify for reimbursement and the process for reimbursement.

This policy applies to local, foreign, and other business and travel expenses paid from all Hospital administered funds, including grants and contracts.

Expense reimbursements are based on four key principles:

1. **Accountability** – Trillium is accountable for the use of public funds when reimbursing travel, meals and hospitality expense. All expenses must support the hospital's business objectives.
2. **Transparency** – Trillium is transparent to all stakeholders. The rules for incurring and reimbursing expenses are clear, easily understood and available to the public.
3. **Value for Money** – Taxpayer dollars are used prudently and responsibly. Plans for expenses are necessary and economical with due regard for health and safety.
4. **Fairness** – Legitimate authorized expenses incurred during the course of hospital business are reimbursed.

2.0 DEFINITIONS

Hospitality events are defined as the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds for people who are not engage to work for Trillium. An example would be guest from another city who you are hosting for an event at the hospital.

3.0 POLICY

The Hospital covers the cost of **authorized** reimbursable hospitality, travel and business expenses incurred provided that the expenses submitted are:

- Work related
- In compliance with Hospital procedures and policies

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

- Appropriately authorized in advance
- Reasonable
- Appropriately documented
- In line with any applicable legislated requirements

Under no circumstances with hospitality, incidental or food can expenses be considered “allowable” expenses for consultants and contractors engaged by the hospital regardless of their inclusion in a consultant/contractor legal agreement. Only allowable expenses by consultants/contractors can be claimed and in order to be reimbursed, must be specifically outlined in the signed consulting contract and in compliance with the hospital expense reimbursement policy and Travel Allowance policy.

As a public institution which aims to use its resources as effectively as possible, all individuals must exercise discretion and care while incurring business and travel expenses. As such, ensuring that travel is necessary and economical, and exploring other options such as teleconferences and video conferencing is encouraged where possible.

Travel supported by contracts or other sources of revenue must comply with Trillium’s regulations and policies unless specifically indicated otherwise by Trillium.

4.0 PROCEDURE

Approval and Signing Authority

Accountability Framework

Expenses must be approved by the manager one level higher than the person claiming the expense. The Chief Executive Officer (CEO) has the authority to establish additional rules regarding expenses to meet specific operational needs or modify the level of approval upwards to a more senior level.

Individuals must have advance approval to incur travel expenses on behalf of the Hospital. Travel expenses are approved for reimbursement in accordance with the Signing Authority Policy and by at least one administrative level higher than the person claiming reimbursement.

The traveler and the individual who approves payment are responsible for ensuring that claims for expenses are in accordance with this policy and are directly related to Trillium’s purposes only. Original signatures are required.

Approvers are prohibited from approving their own expenses directly or indirectly. If the expense is for a group function, the most senior person present will submit the claim for approval. For example if a less senior person pays for the event where the approver is present, the approval cannot authorize the payment, it must be escalate to the next higher level.

When authorizing expenses, Approvers must exercise:

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

- good judgment and knowledge of the situation;
- ensure the expenses comply with the principles and mandatory requirements set out in this policy
- ensure the expense can stand up to audit and public scrutiny
- ensure there is proper documentation such as original, itemized receipts
- ensure the expenses are fair and equitable
- ensure the expenses are reasonable and appropriate

Expense Claim Forms

All hospitality, travel and business expenses will be reimbursed only through the submission of the Trillium Expense Reimbursement Form (available from iCare).

Properly completed claim forms have a clear statement of the purpose of business or travel, and show all expenses relating to the event. See appendix for mandatory claim form to be used. Each expense must be supported by an original, dated expense voucher or receipt. By signing the claim form, the individual is certifying that the information contained on the form is accurate to the best of his/her knowledge; the original signature of the claimant and approver is required. Normally, travelers should settle travel claims within ten (10) working days of return. All expenses must be clearly detailed. Claims for “miscellaneous” or “sundry” items will not be reimbursed and returned to the traveler for clarification.

Receipts

Original detailed receipts (e.g. hotel bills, parking, airport improvement fees, meals etc.) are required to support a claim. Travel agency invoices, cancelled cheques, credit card statements or “paid” notices, are not acceptable. If the original receipt is not available or not possible, you must submit a written explanation for the claim explaining why the original receipt is not available and provide it to either the Chief Executive Officer or the Chief Financial Officer for approval. If this is approved it can be submitted with your claim.

Meals and other expenditures not supported by detailed receipts (i.e. only the credit card receipt is provided) will **not** be reimbursed.

Alcohol expenses do not qualify for reimbursement.

Alcohol can only be served when a hospital has been engaged by an external organization for a paid catered venue.

Electronic ticketing (or “ticketless” travel) is where a traveler has arranged for air travel via one of the contracted agencies and no hardcopy ticket is produced. Travelers using e-tickets are faxed or e-mailed a confirmation of their travel itinerary and the cost from either the airline or the travel agency. This will be considered the receipt.

Paper tickets will require the passenger copy of the ticket along with the invoice for reimbursement.

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

Ineligible Expense Claims

Certain expenses considered of a personal nature will **not** be reimbursed by the Hospital. Examples are:

- 1) Beverages containing alcohol.
- 2) Dry cleaning unless in exceptional circumstances which must be approved by the manager one level above;
- 3) Movies, or other in-room entertainment;
- 4) Other incidentals such as newspapers, toothbrushes, haircuts, and other products and services that would normally be expected to be consumed by the individual while not on business.
- 5) Interest charges on outstanding charge card balances
- 6) Insured losses to vehicles
- 7) Parking and traffic fines
- 8) Personal expenses including kennel fees, travel, accident and life insurance, movies, mini bar charges
- 9) Expenses of family members unless these individuals are also on approved hospital business
- 10) Expenses for failure to cancel transportation or hotel reservations when appropriate notice period is provided
- 11) Passport expenses
- 12) Excess personal baggage

Lost Luggage or Emergencies

In the event luggage is lost or there is an emergency, reasonable expenses for basis essentials will be allowed. Receipts must be provided upon return.

Transportation

Air

Air travel is permitted if it is the most practical and economical way to travel. It is the responsibility of the traveler to obtain the most economical airfare available consistent with the purpose of the trip. Whenever possible, travelers should take advantage of discounts. Economy (coach) class is the standard option for ticket purchase.

Travel in business class must have prior approval by the CEO or in the CEO's case the Board Chair, and may be considered in the following circumstances:

- on international flights; or
- on flights within Canada and the continental United States of America if related to the provision of reasonable accommodation (e.g., health reasons).

Train

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

Travel by train is permitted when it is the most practical and economic way to travel.

A coach class economy fare is the standard.

Business class may be acceptable with prior approval in limited circumstances such as:

- the need to work with a team;
- choosing a travel time that allows you to reduce expenditures on meals or accommodation (e.g., compare an economy (coach) class ticket plus a meal, with the cost of a ticket for VIA 1, where the meal is included);
- accommodation requirements; and
- health and safety considerations.

International train travel should be at the Canadian equivalent to coach class.

Private Automobile

Travel by private automobile may be necessary to save time, transport equipment or to reduce costs when a number of persons are traveling together. Reimbursement to the driver is calculated by applying the km/mileage rate to the actual driving distance by the most direct route not to exceed full economy airfare. Specific km/mileage rates can be found in the Travel Allowance Policy.

When a private automobile is used on approved Hospital business, the owner must ensure that personal automobile insurance is adequate.

Car Rental

Staff and physicians may wish to rent an automobile to save time, reduce cost, or for convenience. It is recommended that the vehicle selected is the smallest size that fits the number of people traveling, business task, and weather conditions. It is also recommended that staff, physicians, and others who rent a car for company business purchase the liability insurance offered by the rental company in the name of the organization.

Reimbursable expenses include the rental fee for non-luxury model cars, the km/mileage charge by the car rental agency, insurance and gasoline charges.

Other Transportation

Reasonable expenditures for taxis and public transportation to and from airports, railway stations, between appointments, hotel locations and meeting places are reimbursable, including reasonable gratuities for service.

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

Accommodation and Meals

Travelers should use standard accommodation from whenever possible and dine in restaurants of equivalent quality. Reimbursement for meals will be limited to reasonable amounts in the particular circumstances and must be supported by an original detailed receipt. Please refer to the guideline provided.

| Guideline for Meal Expenditures | Within the Province | Within the Country | International |
|--|----------------------------|---------------------------|----------------------|
| Breakfast | \$10 | \$10 | \$20 |
| Lunch | \$15 | \$20 | \$25 |
| Dinner | \$25 | \$30 | \$40 |
| Total | \$50 | \$60 | \$85 |

Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at public expense to persons who are not engaged in work for the Hospital, for example representatives from other hospitals. Hospitality should be economical and appropriate and should facilitate Hospital business or be considered desirable as a manner of courtesy. At no time should these expenses include alcohol. Approval of these expenditures is subject to normal signing authority levels and one administrative level above.

Other Reimbursable Travel Expenses

Specific additional reimbursable travel expense items are listed below:

- Voice and data communication charges to maintain contact with Hospital responsibilities
- Reasonable number of telephone calls to allow employees/physicians to stay in contact with their immediate family
- Expenses for baggage handling and storage necessary for business related travel
- Appropriate gratuities
- Expenses for obtaining visas and travel papers
- Exchange rate expenses, claimed by submission of a photocopy of the charge card statement listing rates charged by reimbursable item or of a receipt for foreign currency purchased in a bank or equivalent institution
- Additional business expenses such as business calls, air/rail phones, computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, provided the charges are incurred while conducting Hospital business. Travelers should use the least expensive secure means of obtaining internet access while traveling.

Often these types of expenditures will be subject to judgment and the approving party should ensure that the expense is in keeping with the intent of this policy and is consistent with the principles of the Hospitals stewardship of public funds.

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

Combining Hospital Travel with Personal Travel

Before travelers take indirect routes (interrupting business portions of a trip for personal travel or visa versa.), the administrative head and the traveler will agree on a fair allocation of expenses for the trip. In any event, the Hospital's portion is limited to expenses for travel, accommodation, food and other expenses that would have been charged had the interruption not occurred.

Frequent Flyer Points

The traveler may retain for personal use any frequent flyer points accumulated from Hospital travel. However, the choice of airline or routing should be based on the lowest fare and agreements with contracted vendors, rather than on personal frequent flyer programs.

Methods of Payment

Personal Credit Cards

Business related expenses charged to the traveler's personal credit cards are reimbursable; however, the Hospital does not pay for personal credit card service charges, delinquency assessments, interest, annual fees, or any other charges associated with personal credit cards. This is the sole responsibility of the personal credit cardholder.

Insurance When Traveling On Hospital Business

Please refer to Insurance Coverage Policy – for details on Trillium Health Centre's insurance policies.

Specific insurance requirements for traveling on Hospital Business should be confirmed prior to travel.

Accident/Health/Life Insurance

Accident Insurance - Workers' Compensation Board Benefits

Hospital members and staff who are injured while performing Hospital business away from their normal place of work may be eligible for Ontario Workers' Compensation benefits. Enquiries concerning WCB coverage for specific situations should be made to Human Resources.

SUPERSEDES DECISION SUPPORT

2009-11 Business Expense Policy

RELATED DOCUMENTS

Insurance Coverage Policy

Version: 1.1

Document ID #: 17869

7 of 8

UNCONTROLLED WHEN PRINTED ()

Trillium Health Centre – POLICY & PROCEDURE

| | |
|--------------|---|
| Title: | Business Expense - PRO |
| Folder Name: | Trillium Health Centre\Policies and Procedures\Corporate Policies and Procedures\Finance and Decision Support |

Travel Allowance Policy

Consulting Policy

Signing Authority Policy

Catering Policy