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Travel, Meal & Hospitality Expenses Directive

ADM-BOA-GEN-9

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HÔPITAL NOTRE-DAME HOSPITAL (HEARST)

TO: Board

CODE:
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CATEGORY: General

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March 2011

SUBJECT: Travel, Meal & Hospitality Expenses
Directive

APPROVAL:

BOARD OF DIRECTORS

NOTE: This document is a CONTROLLED document. Any documents in paper form must be used for reference purposes only. The on-line copy must be considered the current documentation.

DATE	REVIEWED	REVISED
Nov. 3, 2011		MRP

DATE	REVIEWED	REVISED

Source: Ministry of Government Services

Please refer to the following form for authorized expense allocations:
Travelling Authorization and Expense Statement

1.0 PURPOSE

The purpose of this Directive is:

- to set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices;
- to provide a framework of accountability to guide the effective oversight of public resources in the reimbursement of expenses; and
- to set the parameters for the public disclosure of information about expenses.

APPLICATION AND SCOPE

This Directive sets out the rules for managing travel, meal and hospitality expenses for Hôpital Notre-Dame Hospital (Hearst). They apply to:

- employees of the hospital
- all Board members, appointees and volunteers;
- all consultants and contractors;
- all health professionals and physicians providing services to the hospital;
- all other votes traveling for hospital business.

The following definitions apply for the purpose of this Directive:

- *Claimant* refers to any person making a claim under the terms of this Directive.
- *Approver* refers to the person with the authority to make approvals under this Directive.
- *Chief Executive Officer (CEO)* refers to the head of operations at the hospital.
- *Chair* refers to the person appointed as the head of the Board of the hospital.

2.0 PRINCIPLES

- Taxpayer dollars are used prudently and responsibly with a focus on accountability and transparency.
- Expenses for travel, meals and hospitality support hospital objectives.
- Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.
- Legitimate authorized expenses incurred during the course of hospital business are reimbursed.
- Best practices are in place, including:
 - Prior approval to incur expenses is obtained.
 - Other options for meetings are always considered before travel is approved, including audio or video conferencing.
 - Corporate travel cards are used for authorized business travel and business related expenses.

3.0 MANDATORY REQUIREMENTS – GENERAL

- Written approval is required for the following *before* any arrangements are made. Use the appropriate form, if available.
 - International travel, and
 - Hospitality events involving alcohol.
- Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- Hospitality is provided only when the event involves people from outside the hospital. Functions involving only people who work for the hospital (all those covered by this Directive) are not considered hospitality functions.
- Expenses for a group can only be claimed by the most senior person present – expenses cannot be claimed by an individual that are incurred by his/her approver (e.g., a coordinator cannot submit his/her director's claim for lunch even if they were at the same event).
- Information about expense rules must be posted on the hospital's public website .
- Good record-keeping practices must be maintained for verification and audit purposes.

Claimants must:

- obtain all appropriate approvals before incurring expenses; if no prior approval was obtained, then a written explanation must be submitted with the claim;
- submit original, itemized receipts with all claims (credit card slips are not sufficient). If there is not an itemized receipt, a written explanation must be submitted to explain why the receipt is unavailable and a description itemizing and confirming the expenses must be provided;
- submit claims within 14 days of date of expenditure;
- submit claims for expenses before leaving his/her position with the hospital.

Approvers must:

- provide approval only for expenses that were necessarily incurred in the performance of hospital business;
- provide approval only for claims that include all appropriate documentation (e.g., original itemized receipts);
- not approve their own expenses.

Note that should there be a situation where there is an overpayment to a claimant, it is considered a debt owing to the hospital and must be repaid.

4.0 ACCOUNTABILITY FRAMEWORK

This Directive sets out the approval authority for travel, meals and hospitality expenses. In some cases, the level of approval is identified and also whether the authority can be delegated. In other cases, a requirement is stated (e.g., prior approval is required) without identifying an approval level. Where no approval level is identified, the hospital has the flexibility and discretion to establish its own level and to address possible delegation.

The CEO has the authority to establish additional rules regarding expenses. Any additional rules must be consistent with those laid out in this Directive and be necessary to meet specific operational needs. These rules do not replace any rules in this Directive, nor can they substitute higher rates of reimbursement for kilometres or meals. Additional rules must include the date of approval and must be accessible to everyone covered by the rules.

In addition, the CEO may modify the level of approval upward to a more senior level when authority is assigned to a coordinator or contract manager.

4.1 Managerial Discretion

For the purpose of this Directive, managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with this Directive. There is no discretion to depart from the principles and the mandatory requirements of this Directive. All decisions should be taken very carefully.

When exercising 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; and
- comply with the principles and mandatory requirements set out in this Directive.

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.

Exemption

Only the hospital's Board can grant an exemption from all or part of this Directive. Management can apply for an exemption by bringing forward a business case to the Board.

4.2 Public Disclosure of Expense Rules

The expense rules will be posted on the hospital's website in order to be available to the public. The rules will be available in accessible formats on the main hospital website (www.ndh.on.ca).

5.0 TRAVEL

This Directive applies whenever travel is required.

For the purpose of this Directive, travel does not refer to a person's regular commute to work – expenses related to a person's regular commute are not reimbursable.

5.1 When travel is a part of the job

There are some jobs where frequent travel is a requirement – part of the regular job duties.

On hiring, managers should ensure staff are aware of the Directive and how it will affect their job. In these situations, approvers should meet with the employee to determine appropriate strategies (e.g. pre-approval for frequent or regular travel, when meals can be reimbursed, use of vehicles, etc.).

When jobs require regular travel, the hospital representatives need to ensure that the Directive is utilized in a consistent manner so that managers and employees have a common understanding of how the Directive is applied.

5.2 When travel occurs every now and then

In the majority of positions in the hospital, travel usually occurs irregularly on an as-needed basis; for example, to attend training, meetings, conferences or consultations; representing the hospital at an event; etc. In some cases, employees will be asked by their managers to travel, and in others, the request may come from the employee.

5.3 Approvals for Travel

The following charts identify the level for approvals for travel for everyone covered by this Directive. In many cases, the authority for approval may be delegated.

Chart 1: Level of Approval Required in Hospital

Approval for Travel Plans

Chart 1

Level of Approval Required in Hospital			
Role	Travel in Ontario	Travel in Canada and continental USA	International Travel
Board Members and Appointees	Board	Board	Board
CEO	Chair	Chair	Board
Senior Directors	CEO	CEO	CEO
Employee	Direct Supervisor	Direct Supervisor	CEO
Volunteers	Director	Director	CEO
Consultant	Contract Manager	CEO	Board
Physicians and other health professionals (non-employee)	Director	Director	CEO

In the case where individuals are temporarily acting in positions with approval authority, they can exercise the full authority of the position provided that they do not approve their own travel plans or expenses.

5.4 Before Traveling

There is a process to follow for all people wishing to be reimbursed for travel expenses.

- Obtain prior written authorization required for international travel.
- As a best practice, obtain prior approval for any travel (Travelling Authorization and Expense Statement Form must be used).
- Secure passports, visas, immunizations, medications, as appropriate before you travel.

Vehicle Insurance

Rental Vehicle

If you rent a vehicle, you should purchase the collision damage waiver coverage offered by the rental company. The insurance costs can be claimed as a travel expense.

For Agencies/Organizations

Agencies/organizations should check the coverage on any corporate travel cards.

Use of Personal Vehicle

If you use your personal vehicle while on hospital business, the following apply.

- The vehicle must be insured at the vehicle owner's expense for personal motor vehicle liability.
- It is the driver/owner's responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.
- The hospital will not reimburse the costs of insurance coverage for business use, physical damage or liability.
- The hospital is not responsible for reimbursing deductible amounts related to insurance coverage.
- In the event of an accident, you will not be permitted to make a claim to the hospital for any resulting damages.

Airplane

Air travel is permitted if it is the most practical and economical way to travel.

Economy (coach) class is the standard option for ticket purchase.

In some cases, hospital employees may need to use charter aircraft.

Train

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

A coach class economy fare is the standard.

Vehicle

Choosing the Appropriate Vehicle

When road transportation is the most practical, economical way to travel, the order of preference is:

- hospital vehicle
- rental vehicle
- personal vehicle, if it is more economical than a rental vehicle

If you travel frequently as part of your job, these arrangements should be made when you are hired.

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.

Hospital Vehicle

Hospital vehicles may be:

- used only for hospital business; and
- operated only by someone with a valid Ontario driver's license for the appropriate class of motor vehicle.

For hospital employees, hospital vehicles can be operated only by people authorized under the MTO Motor Vehicle Fleet Policy.

Should only be driven by personnel authorized by Materials Management Coordinator.

Rental Vehicle

When renting a vehicle, a compact model or its equivalent is required. 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.

Personal Vehicle

The hospital assumes no financial responsibility for personal vehicles. The hospital will, however, pay the kilometric rate if you are, with prior approval, using your own vehicle for hospital business.

The approver must make a decision on the type of vehicle used for travel (personal or rental) based on the frequency of travel as well as the distance per trip. If a decision is made, with your approver, for you to continue using a personal vehicle, both your research and the rationale must be documented.

If using a personal vehicle, keep daily logs to track the business use.

Accident Reporting

All accidents must be reported immediately to local law enforcement authorities and your immediate supervisor. In addition:

- If you are using a fleet vehicle, advise the immediate supervisor.
- If you are using a rental vehicle, advise the rental car agency to initiate a claim.
- If you are using a personal vehicle, advise your own insurer.

Reimbursement and Rates

Rates are based on allowance of 45¢ per kilometre.

Rates may be established in a collective agreement, and, if they are not, the rates in this Directive apply.

Expense claims must be submitted with distances calculated in kilometres.

The Northern Ontario Road Maps Distance Calculator is generally considered as the guide for calculating traveling distances.

Pre-approved utilization of personal vehicle for hospital business within the town limits shall be reimbursed at a rate of \$5 per return trip.

Board members

Upon billing, Board members or Board Committee members will be reimbursed the regular automobile allowance per kilometer to attend Board or Board Committee meetings provided the one-way travel exceeds five (5) kilometers and also provided that such expenses incurred are not reimbursed by a third party.

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.

5.5 Accommodation

In the normal conduct of business, reimbursement for overnight accommodation within your office area will be neither authorized nor approved. However, in emergency or highly unusual situations exceptions will be considered. For example:

- You are required to remain close to your office for periods long in excess of (your) standard working hours.
- Your services are deemed necessary (and approved accordingly) for the purposes of emergency or crisis management.

There will be no reimbursement for hotel suites, executive floors or concierge levels when traveling.

Reimbursement will be made for single accommodation in a standard room.

For extended stays at a single location, accommodation must be arranged with prior approval. This will take advantage of lower weekly or monthly rates.

Penalties incurred for non-cancellation of guaranteed hotel reservations are the claimant's responsibility and may be reimbursed only in an exceptional circumstance.

Private stays with friends or family are acceptable, and a cash payment or gift may be provided to the friends or family:

- A maximum of \$35 per night is allowed for accommodation including any meals with friends or family, in lieu of commercial accommodation. Instead of a receipt, you must

submit a written explanation describing the purpose of the trip, identifying the host and the number of days you stayed.

5.6 Other Kinds of Expenses

Request for Advance or Registration

All such authorized requests should be forwarded to the Business Office at least seven calendar days prior to the scheduled activity and should have been previously approved by the CEO or the Executive Leader of the sector.

Settlement Process

Within seven calendar days following the activity, the authorized Travelling Authorization and Expense Statement is forwarded to the Business Office by the first line supervisor or the expense statement authorizer for processing within ten calendar days of submission.

Passports, Visas and Immunization

You may be reimbursed for:

- the cost of a passport if you are traveling to the United States;
- the cost of a passport and/or visa, plus the cost of immunizations and medications if necessary, for international travel.

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 and how the hospital wishes 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 local provincial 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

6.0 MEALS

Rules

Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. There are no exceptions to this rule.

Reasonable and appropriate meal expenses may be reimbursed. You may incur a meal expense when you are on hospital business.

Original, itemized receipts are required and reimbursement must not exceed the actual amount spent. Taxes and gratuities are included in the meal rates.

Reimbursement is for restaurant/prepared food only. Reimbursement for groceries must have prior approval and must be submitted with the claim.

Reimbursement will not be provided for meals consumed at home or included in the cost of transportation, accommodation, seminars or conferences.

If you travel as a regular part of your job, your meals will not normally be reimbursed unless you have obtained prior approval.

Meal Rates

Reimbursement for meal expenses incurred within the NE LHIN and outside the NE LHIN is subject to the maximum rates set out in the chart below. These rates include taxes and gratuities.

	Within NE LHIN	Outside NE LHIN
Meals	Maximum Amount	Maximum Amount
breakfast	\$8.00	\$12.00
lunch	\$12.00	\$16.00
dinner	\$28.00	\$32.00

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.

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 both breakfast and lunch, the combined rate is \$20.00. This now becomes the maximum rate for the two meals, regardless of what you spend on each meal.

7.0 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 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 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:

1. Engaging representatives of other hospitals, the government, the broader public sector, industry, public interest groups or union representatives in discussion on hospital matters;
2. Sponsoring formal conferences for representatives of health service provider organizations, or for government, business or labour groups;
3. 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;
4. Honouring distinguished persons from the health care sector in recognition of exceptional public service; and
5. Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector.

Providing Alcohol

- The decision to provide alcohol as part of hospitality should be made by the CEO or the CEO's delegate (appropriate Vice President or Director) 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.

Examples:

1. Providing alcohol should be limited to meals and receptions.
2. Hospitals may also choose not to provide alcoholic beverages or to limit the number of beverages they offer at an event.

Acceptance of Hospitality

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

Examples:

1. Hospitals should ensure that they avoid the appearance of impropriety or favouritism 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.

STAFF EVENTS AND PARTIES

- All staff event or party expenses must be reasonable.
- Events held on hospital premises must be approved by the CEO.
- Events held off hospital premises must be approved by the CEO.

Example:

1. The decision to provide alcohol at the staff event/party must be approved by the CEO and 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.

Staff Recognition

- If alcoholic beverages are served at any recognition event, it should be approved by the CEO and 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.

Submitting the claim for reimbursement

- All expenses must be documented and include original itemized receipts.
- The claim must include event details regarding:
 - purpose;
 - date(s);
 - location;
 - type of hospitality (breakfast, lunch, dinner, reception, refreshments, etc.);
 - attendees

8.0 EXPENSES FOR 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 Directive can be claimed only when the contract with the hospital specifically allows for it.