



St. Mary' General Hospital
911 Queen's Blvd.
Kitchener, ON, Canada
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Tel: 519.744.3311

St. Mary's General Hospital
Kitchener, Ontario

TITLE: Business Expense & Travel Reimbursement

Policy Statement:

The Business Expense & Travel Reimbursement Policy outlines the processes, principles, responsibilities, and forms to be utilized by employees, physicians, volunteers and board members when submitting business or travel expenses. Reimbursement will occur when expenses are incurred while carrying out Employer business in the most efficient and economical manner available.

Purpose:

This policy covers the following:

- Responsibilities of Employees, Managers and Finance
- Eligibility for reimbursement of business travel and expenses incurred in the performance of hospital duties
- Approvals required
- Process to claim reimbursement

Scope:

Employees, Physicians, Volunteers, and Board Members will:

- Exercise integrity and good business judgment when deciding to incur a business expense
- Ensure all expense claims are submitted in a timely manner and are supported by an accurate and complete set of original receipts
- The claimant's signature on the expense report represents validation that the claim is accurate and complete

Management will:

- Use good business judgment when approving travel and business expenditures
- Ensure the expense claim is reasonable and appropriate

Finance will:

- Provide advice and direction on interpretation and application of this policy
- Carry out periodic reviews to monitor compliance with the policy and procedure
- Process expense reports in a timely fashion



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Procedure/Process:

In completing the expense reimbursement form, the following reimbursement categories exist:

- (a) *Travel* – should include all expenses incurred while conducting hospital business; they may include travel costs, mileage reimbursement, accommodation, meals.
- (b) *Education* – should include all expenses incurred while away from SMGH on education training and may include travel costs, mileage reimbursement, accommodation, meals.
- (c) *Supplies/Miscellaneous* – should include any non-salary expenses for purchases for the purposes of hospital business.

Approval

Under no circumstances is an employee allowed to approve his or her own expense reimbursement claim form. The employee's manager/director/VP/President/CEO/Board Chair must approve all claims.

1. Allowable Business Expenses

- Monthly home internet fees for home based Medical Transcriptionists and other staff who are authorized in advance to work from home and will do so on a routine basis.
- Membership fees; in some circumstances membership fees may be considered a taxable benefit
- Mileage for attendance at a business related function
- Allowable travel expenses (See Below)
- Rewards to staff/department for recognition of accomplishments are allowable but must be approved in advance by the manager/director/vice-president's immediate supervisor

Allowable Business Expenses – not to be purchased with personal funds

The following items must be purchased through Purchase Orders requisitioned through Purchasing, Direct Purchase to Third Party Vendor and/or SMGH Credit Cards. *These items will not be reimbursed by SMGH if purchased with staff's personal funds.*

- Any approved Capital Equipment
- Computer Software/Hardware
- Supplies and services where SMGH has engaged in a contract or rebate program

- Stationary and office supplies where the cost of purchasing these items through personal finances impede in any way SMGH's ability to attain discounts from negotiated contracts with specific Vendors, e.g. Corporate Express
- Any items that would impede the competitive selection of vendors for the procurement of goods and services adopted by SMGH

2. Non-allowable Business Expenses

- Personal purchases of any nature even if the employee offers to reimburse SMGH
- Gifts (floral or other), cards, lunches and other consumable goods and/or wrapping paper, for a special event or circumstance for an employee of SMGH with the exception of a Retirement of employee
- Home internet fees except as noted above
- Membership fees for recreation or for a professional association not recognized by this organization
- Fines such as speeding, parking tickets, etc.
- Credit card interest charges and/or fees
- Alcoholic beverages are not reimbursable except under certain circumstances where the Vice President or President has approved the expense in advance, i.e. special events
- Registration fees/course reimbursement for attendance to a conference or course where it is for the sole personal benefit of the individual
- Non-allowable travel expenses (See below)

3. Business Travel - Use of Personal Vehicles

Employees may use personal vehicles for Hospital business. Group transportation should be arranged whenever possible. Reimbursement will be in accordance with the approved Kilometer Allowance as stated on the Business Travel and Expense Reimbursement Form. Sharing the vehicle with colleagues is strongly encouraged to minimize costs.

This allowance is to cover the cost of fuel, depreciation, maintenance and regular and/or business class insurance to be incurred by the employee. It is the sole responsibility of the employee to ensure adequate insurance coverage. Any traffic or parking infractions are the sole responsibility of the employee.

When travel begins at the employee's residence and is not to SMGH, the distance reimbursed is the lesser of the distance from SMGH to the travel destination or from the employee's home to the destination and should be more than 50 Kilometer from SMGH



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All reasonable parking expenses will be paid. Receipts should be attached to the expense statement.

Using private vehicles as opposed to rented vehicles cannot exceed the cost of any of these alternative types of transportation.

Toll charges for express highways will be reimbursed only where an employee seeks approval in advance from the authorizing officer, or submits a receipt with accompanying documentation to support their claim because of extraordinary circumstances.

4. Business Travel outside Canada

Travel and expense claims will be calculated in Canadian currency. If the expense is incurred in other currency select "No" in the appropriate box on the Business Travel and Expense Reimbursement Form. Accounts payable will convert the expense to Canadian currency when required. If you have credit card records showing the exchange rate applied to purchases please attach and A/P will reimburse at that rate.

Always make sure travel is necessary and explore other options such as teleconferences and video conferencing. The cost of coach class airfare is eligible for reimbursement. Employees must obtain the lowest available fare. An original ticket stub, electronic air travel, boarding passes or invoices must be submitted along with the invoices/itineraries from airline / travel agency. Claims for First Class and Business Class travel will be reimbursed at the coach rate unless special circumstances so warrant. For transportation to and from airports, the most economical method of transportation should be utilized. Airport shuttle service is to be used when available.

Financial penalties which apply to changes and cancellations of non-refundable tickets are reimbursed if the change is required to conduct Hospital business. These penalties will not be reimbursed if changes or cancellations are made for personal reasons. Unused tickets or any portion thereof must be returned to your travel agency as soon as possible for proper credit and processing. It is the responsibility of the Employee to pursue credit for any unused refundable tickets. Airfare cancellation insurance is not reimbursable.

6. Allowable Business Travel Expenses

(a) Accommodations

- The type and location of accommodations is based on cost and practicality. Reasonably priced accommodation should be requested
- It is recognized that certain circumstances may influence which hotel is used (e.g. conferences)
- Employees traveling with other members of the organization are not required to share accommodation
- Reimbursement is limited to a single room rate per traveler. Employees sharing accommodations with non-employees are responsible for paying the difference between single and double rates
- If hotel reservations must be cancelled, it is the responsibility of the employee to make sure that cancellation is made in advance so that "no show" charges will not be incurred
- Room service, cleaning costs, entertainment and other incidental charges are considered to be personal expenses and are not reimbursable
- Standard tips and gratuities are reimbursable, but must be documented on the expense report
- A copy of the hotel bill must be attached to the expense report

(b) Rental Vehicles

Car rental bookings can be made by the Employee or with the assistance of a travel agency.

Employees are encouraged to purchase the daily vehicle insurance coverage offered by the vehicle rental agency as the hospital's insurance policy does not cover replacement value for rental cars.

Employees traveling on Employer business must remember to refuel their rental car prior to its return and save the gas receipts for reimbursement.

The use of taxis by staff should be reasonable.

(c) Meal Allowance

Employees on overnight travel are reimbursed for meals as follows:

- For part days of travel, reimbursement is made for each meal up to the maximum daily amount (Breakfast - \$15, Lunch - \$20, Dinner - \$35)
 - For full days of travel, reimbursement is made for each meal up to the maximum daily amount (Breakfast - \$15, Lunch - \$20, Dinner - \$35)
 - There are no per diem meal allowances; original receipts must accompany all reimbursement requests
 - Payment will not be made for costs in excess of the daily amount
 - On travel days, breakfast is reimbursed if the time of departure is two (2) hours prior to regular work hours. Dinner is reimbursed if return time is two (2) hours after regular work hours
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- Group Meals – all individuals covered by the expense must be identified by name on the reverse side of the receipt. The date and reason for the meal must also be indicated on the receipt.
 - Meals that occur as part of a meeting with an external party are permissible.
 - When an expense is incurred where a group of SMGH employees are present, the SMGH employee with the highest ranking position must claim and submit the original receipt for approval to their immediate supervisor.
 - Reimbursement requests for actual meal costs without receipts will not be processed.
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- Meals will not be reimbursed when:
 - it is possible or practical for the employee to provide their own meals; or
 - meals are provided by a carrier; or
 - meals are included in the conference registration fees or accommodation costs
 - meals are consumed during a meeting with hospital staff unless for the purposes of reward and recognition
 - Additional costs associated with room service are not reimbursed
 - The cost of alcoholic beverages is not reimbursable except under certain circumstances where the Vice President or President has approved the expense in advance, i.e. special events

- When an employee 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

(d) Medical Insurance

- Fulltime SMGH employees who have elected Semi-Private and Extended Health Care group benefits coverage have coverage for in country travel subject to the group insurance contract provisions

(e) Out of Country Travel

- Persons travelling outside of Canada may be reimbursed for expenses if they were specifically incurred and necessary for their travel
- Such expenses include, but are not limited to, the costs of:
 - Immigration visas/ Immunization vaccinations for travel outside of North America
 - Currency exchange on eligible expenses
 - Airport/departure taxes

Receipts are required for reimbursement. When claiming expenses, the cost of the expense and the currency used must be stated. The exchange rate will be calculated by accounts payable unless proof of the exchange rate is provided. The exchange rate will be the applicable rate on the transaction date. When possible, a copy of the cardholder's statement should be provided to support the exchange rate

Note: All expenses associated with obtaining and/or renewing a valid passport are the responsibility of the Employee and are not eligible for reimbursement

(f) Allowable Expenses - Other

- The specific nature of miscellaneous expenses are to be detailed on the Expense Report and original receipts must be provided
- Such expenses include, but are not limited to, the costs of:
 - Fax and e-mail charges

- Reasonable laundry/Dry Cleaning (after seven (7) consecutive days of travel)
- Transaction fees levied by a travel agency
- Reasonable telephone charges*
- Any travel expense related to physical/medical disabilities of the employee

* Payment of personal telephone call expenses is at the discretion of the approving officer.

7. Business Travel Expenses Not Allowable

Inclusive but not restricted to:

- Annual fees or finance charges for personal credit cards
- Claims for loss of personal effects, medical and hospital treatment, for the purchase of travel accessories (e.g. luggage, clothing etc...)
- Personal services such as shoe shines, valet, laundry etc...
- Personal entertainment charges
- Baby sitting
- Pet care expenses
- Baggage check-in expenses

8. Other Travel Situations

- Employees may wish to extend the duration of a trip and reduce the cost of airfare. This practice is acceptable provided that the transportation savings are greater than the increased costs of accommodation and meals. Any loss of workdays due to "extended" travel must be charged to the employee's vacation entitlement and must be approved in advance by the authorizing officer
- Spouses and common-law partners may travel with employees. However, no costs associated with that travel are reimbursed or should be charged to the hospital.

9. Provision and Acceptance 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.
- 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;
 - Honouring distinguished persons;
 - Conducting prestigious ceremonies.
- 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 is aware of their conflict of interest obligations.

10. Documentation/Record/Log:

Business Travel and Expenses Reimbursement Form

When reimbursement is requested, an Expenses Claim Form is required. The electronic version of the expense reimbursement form (HST formulas, sub totals and totals are built into the form) must be completed. This form must be submitted in hard copy to Finance together with all supporting original documentation. Any original supporting documentation submitted with the expense report becomes the property of SMGH.

Each Form must:

- be properly signed by the person who is making the request with functional centers and accounts to which the expenses are to be charged.
- be properly approved by: Manager, Director, Vice-President, President, CEO, or Board Chair
- clearly state to whom the payment should be made and the person's Meditech mnemonic
- indicate an accurate total amount of the expenses;
- state the business purpose for spending;
- show the total amount of the GST paid, inserted by the payee or calculated based on the formula given;
- With the exception of mileage, all expense claim items must be supported by original receipts. A credit card chit alone is NOT enough to support expenditure if audited by an external government agency. (i.e. GST/QST/RST/HST);



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- For international travel, submit a separate expense form per currency type – the conversion to Canadian dollars will be done in Accounts Payable. See Allowable Expenses – Out of Country Travel

11. Petty Cash Limit and Payment of Expenses through Accounts Payable

Expense reimbursement up to and including \$25 will be paid at the Finance department. Expense reimbursements greater than \$25 will be paid by Accounts Payable through an automatic bank deposit. This will be the same bank account used for payroll records. Notification of payment will be issued by email to the email address on the expense claim.

Claims must be submitted on an expense reimbursement form, with appropriate approval by the end of the day on Friday to be processed on the following Wednesday's electronic funds transfer. *Errors of omissions will result in a longer reimbursement period.*

Original receipts must be submitted in ALL cases. Failure to do so will result in the claim being returned to the originator.

Origin: Business Travel & Expense Reimbursement Policy July 2009
Date Approved: April 1, 2010
Dates Revised: February 19, 2019
Date Reviewed: April 2, 2019
Responsibility: CFO & VP Corporate Services
References: OHA Expense Policy Guidelines 2010
