

ST. MARY'S GENERAL HOSPITAL  
KITCHENER, ONTARIO

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Subject: Business Travel and Expense Reimbursement  
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**Purpose:** St. Mary's General Hospital will ensure compliance with the Broader Public Sector Expenses Directive as issued by the Ministry of Finance, April 1, 2011.

**Scope:**

The policy covers:

- Claimant responsibility;
- Management responsibility;
- Eligibility and allowable expenses;
- Approval process; and
- Process to claim reimbursements

**Principles**

- Reasonable and actual expenses for hospital business that supports the Objectives of the Hospital should be reimbursed to claimants
- Original receipts and or documentation is required for reimbursement
- Expense forms should be submitted in a timely manner
- Expense claims that do not follow policy and process may be returned to the claimant and not be processed until posted
- Claimants should aim to make the most practical, economical and reasonable arrangements for travel, meals and hospitality and other business expenses
- Staff expenses should be approved by the appropriate supervisor
- An individual shall not approve their own expense claim nor shall a supervisor approve a claim of a subordinate that benefits the supervisor
- The approver of the expense claim should ensure that the claims are accurate, reasonable and in accordance with the policy

**Responsibility/Accountability**

***Claimants***

- Follow the rules and principles
- Exercise good judgment with integrity when planning and incurring a business expense
- Obtain pre-approval where required
- Ensure timely submission of expense claim forms accompanied with accurate and complete receipts
- Where original receipts are not provided, provide explanations
- Validation that the claim is complete and accurate is represented by the employee's signature

***Management***

- Follow the rules and principles
- Exercise good judgment with integrity when planning and incurring a business expenses and approving travel and business expenditures
- Ensure that the expense claim is reasonable and appropriate
- Exercise managerial discretion judiciously

- Monitor Compliance to the Business and Travel Expense Reimbursement Policy
- Maintain knowledge of current practices for oneself and ensure that the staff have an understanding and the policy is followed

#### ***Finance Department***

- Provide advice and direction on the interpretation and application of the policy
- Process expense claims on a timely basis
- Perform periodic reviews to monitor the compliance of the policy and procedures

#### **General Provision**

All individuals reimbursed must comply with the standards in this policy. The policy applies to all types of accounts managed by the Hospital.

It is expected that the claimants will choose the most economical and direct form of transportation while travelling on Hospital business. If the claimant is unable to achieve both time and cost savings, the claimant is expected to choose that which best meets the needs of the Hospital.

Expense claims for out of country travelling should normally be submitted within one week of completion of a trip. All other expense claims should be submitted on a monthly basis. Any expenses submitted greater than 3 months after being incurred may NOT be reimbursed.

Original receipts must be submitted in ALL cases. Failure to do so will result in the claim being returned to the claimant and/or approver.

#### **Travel Expenses that Qualify for Reimbursement:**

##### ***Air Transportation***

Claimants will normally travel Economy class for all domestic and international travel. It is SMGH's policy to obtain maximum savings on air travel expenses within reasonable limits. Every effort must be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with necessary travel requirements. The original boarding pass/passes must be attached to the expense claim.

##### ***Rail/Bus Transportation***

Travel by rail or bus may be selected by claimants as an economical alternative. When using rail, Economy class pass will be used. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price. The original boarding pass/passes must be attached to the expense claim.

##### ***Use of Personal vehicles***

Claimants may, on occasion, use personal vehicles for Hospital business. Reimbursement will be in accordance with the approved Kilometre Allowance of 40 cents per km.

This allowance is to cover the cost of fuel, depreciation, maintenance and regular and/or business class insurance to be incurred by the claimant. It is the sole responsibility of the claimant to ensure adequate insurance coverage. Any traffic or parking infractions are the sole responsibility of the claimant. SMGH is not responsible for any liability that occurs as a result of operating a personal vehicle while on hospital business.

Parking and toll charges will be reimbursed by the Hospital subject to receipts being provided.

It is the responsibility of the claimant to cover the cost of travel from home to the office and back home again.

Claimants must have a valid driver's license and maintain adequate liability insurance in the minimum amount as prescribed in the Insurance Act. Claimants who use their personal vehicles for company business acknowledge and agree that the claimant is responsible for any and all vehicle maintenance and repairs.

When practical to do so, the claimant must use alternate means of transportation. In no event shall SMGH be liable to the claimant or any third party for any special, indirect, incidental or consequential damages arising from any claim that is incurred during personal automobile usage for hospital business due to the performance of a criminal act.

***Taxi***

The use of taxis is restricted to transportation to and from stations and airports and to business or professional offices where other economical transportation is not available or feasible. Receipts must be attached to the expense claim.

***Hotel Accommodation***

All claimants are expected to use standard accommodation (single economy room rate at reasonable establishment). The individual claimant is responsible for all charges to the room. Checking out of the hotel must be done personally so that the bill is reviewed, signed and a copy obtained. SMGH will NOT reimburse for other charges such as entertainment, alcohol or special facilities charges.

***Automobile Rental***

Rental of a compact or mid-sized car is more economical and on most occasions should be acceptable. Rental period must be agreed with the dates of business activities. The collision and liability insurance offered by automobile rental agencies must be purchased, as the Hospital insurance coverage does not cover rented cars. A copy of the rental agreement must be attached to the expense reimbursement claim.

***Meal Allowance***

Meals may be reimbursed by the Hospital when claimants are on Hospital business out of town. They will be reimbursed according to actual expenditure, vouched by receipts to an average of \$50.00 (in Canadian dollars) per day including gratuities and taxes.

Meal expenses are NOT allowed if meals are provided as part of travel/meeting arrangements. Reimbursement is limited to the meals that are not provided as part of travel/meeting arrangements.

Please note although there is some flexibility of amounts among the three meals, the daily maximum allowance must be respected.

Breakfast: \$10.00  
Lunch: \$15.00  
Dinner: \$25.00

Original itemized receipts along with credit card receipts must be attached to the expense reimbursement claim. The expense claim must show a brief explanation of the circumstances/events and the names of the guests, if applicable. The highest ranking member of staff should pay for the meal expenditures, if applicable.

Failure to provide itemized receipts on consistent basis may result in non-payment.

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

### ***Travel Outside Canada:***

Meal allowances will be the same as in Canada but paid in US funds.

Abroad: Meal allowances will be consistent with the Government of Canada Treasury Board rates for breakfast, lunch and dinner specific to the country in question. Refer to the website <http://www.njc-cnm.gc.ca/directive/travel-voyage/s-td-dv-a4-eng.php>

### ***Entertainment/Hospitality***

As a rule, the Hospital does not support entertaining/hospitality unless it is directly related to the employee's position. However, reasonable expenses of Directors and Senior Management will be reimbursed for the occasional entertainment of business contacts. All expenses must be described in detail (including the names of the individuals and which company they represent) when submitting the expense report.

Hospitality functions/events that are unusual or large should have prior approval of the Chief Human Resources Officer, CIO, Vice Presidents or President.

No alcoholic beverages will be reimbursed except for approved entertaining/hospitality by the President. There must be a limit to the number of alcoholic beverages. Any alcohol claims during normal business hours will require the approval of the President.

The highest ranking member of staff should pay for the entertainment/hospitality expenditures.

### **Meeting Expense**

Meeting meals for fellow employees is not allowable, unless approved by the Chief Human Resources Officer, CIO, Vice Presidents or President. Meeting functions/events that are unusual or large should have prior approval of the Chief Human Resources Officer, CIO, Vice Presidents or President. The highest ranking member of staff should pay for the meal expenditures.

### **Miscellaneous**

Gratuities (normally between ten (10) and fifteen (15) percent) will be reimbursed. Long distance business calls, as required, will be reimbursed. If an employee is out of town for more than one day, one personal call per day will be reimbursed. Discretion should be used in the frequency and length of long distance calls.

Reasonable expenses, in keeping with the nature of the trip will be reimbursed, for example, purchases of texts or professional papers when required.

Claimants may participate in frequent flyer programs when flying on Hospital business. Any taxable benefit deemed by Canada Revenue Agency to have occurred in relation to a frequent flyer program is the responsibility of the claimant.

### **Non - Allowable Expenses**

Unauthorized costs of any "side trips", personal calls and personal entertainment not directly related to Hospital business will not be reimbursed. Other non-reimbursable expenses include traffic/towing fines, expenses resulting from unlawful act, spouse's or family member's travel, airline clubs, credit card fees and late payment charges, hotel movie rentals, social events, passport, etc.

Consultants/Contractors Consultants and other contractors can only claim and be reimbursed for allowable expenses when the contract specifically provides for it. Under no circumstances will hospitality, incidental or food expenses be allowable expenses for consultants and other contractors.

## **Definitions:**

**Authorization** - The approval of a business travel and expense reimbursement form by the appropriate person with appropriate signing authority. Generally, authorization requires the immediate supervisor's approval as long as the expense claim amount is within their signing limit.

**Business Expenses** - Reasonable out-of-pocket expenses incurred by claimant in the course of performing their duties on behalf of the Hospital.

**Business Travel** - Travel required for hospital business and authorized by the appropriate level of authority.

**Entertainment/Hospitality** - The provision of food, beverage, accommodation, transportation and other amenities paid to people who are not engaged to work for the Hospital .

**Consultants** - persons providing services to the hospital as an independent contractor, and who are not employees of the hospital. For greater clarity, consultants are not to be considered "staff"; see below.

**Office** - The hospital-related regular place of work. For example, the address on a staff person's business card or where the staff person has an office, desk, computer, telephone etc.

**Personal Vehicle** - A vehicle owned, borrowed or rented/leased personally by a member of staff.

**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** - Staff includes all hospital employees, credentialed staff, volunteers, faculty, outsourced service staff and other individuals engaged in hospital business and who intend to receive travel and expense reimbursement under this policy.

## **Procedure:**

### **Business Travel and Expense Reimbursement Form**

The Business Travel and Expense Reimbursement form must be submitted for all claims. It must be completed in Excel due to imbedded links and formulas in the electronic form designed to ensure accurate results. Instructions are included in the form.

The approved printed form must be submitted to Finance together with all supporting original documentation. All original supporting documentation submitted with the expense claim becomes the property of SMGH. Although SMGH shows utmost care in protecting any personal information on the documentation (e.g. social insurance number, credit card number, driver's license number), the employee acknowledges that SMGH may disclose the information to third parties as part of its operations.

Each Form must:

- Include the name and address of the payee
- Indicate the functional centre to be charged for the expense. If more than one functional centre is required, separate forms must be submitted
- Be signed by the person making the request
- Be properly approved according to the Signing Authorities and Delegation Policy
- State the business purpose for spending
- Include the amount of the HST paid for each expense claimed
- Indicate whether there was any advance received and the amount
- Be supported by original receipts, except mileage; a credit card chit alone is NOT enough to support an expenditure if audited by an external government agency. (i.e.GST/QST/RST/HST);

- For international travel, submit a separate expense form per currency type – the conversion to Canadian dollars will be done by Finance.

### **Approval**

Under no circumstance is a staff member allowed to approve his or her own expense reimbursement claim form.

For volunteers who incur expenses related to SMGH' activities, the staff that is a designated disbursement authority for the functional centre that requested the services will approve the form. This expenditure should be contained within the functional centre's annual budget.

The designated authority according to the Signing Authorities and Delegation Policy will approve the employee expense reimbursement requests.

### **Petty Cash Limit**

Expense reimbursement up to and including \$25 will be paid at the Finance Cash Office (Limit of 1 per week/staff). Expense reimbursements greater than \$25 will be processed by Accounts Payable and paid by direct deposit. Expense claims cannot be split to circumvent the payment process. Reimbursement will occur within 5 to 15 working days after receipt of a correctly completed and approved expense claim form. Errors or omissions will result in a longer reimbursement period.

See Also:

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Origin: VP Resource & Infrastructure

Date Approved: March 30, 2011

Approved By: Senior Team

Date Revised:

Date Reviewed:

Responsibility:

References: Broader Public Sector Expenses Directive, Ministry of Finance

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