



ADMINISTRATION MANUAL

TITLE: Travel and Business Expenses

POLICY #: SJ05-03-05

SECTION: Finance and Materials Management

ISSUING AUTHORITY: Senior Leadership Team

ORIGINAL DATE APPROVED: March 2006

SUBSEQUENT APPROVAL DATES: October 19, 2010, March 22, 2011

OVERVIEW

This policy covers expenses typically related to business travel, including:

- Travel (Appendix B)
 - Vehicle
 - Rental
 - Personal
 - Public Transit
 - Taxis
 - Train
 - Air
- Meals & Alcohol (Appendix C)
- Accommodations (Appendix D)
- Telecommunications (Appendix E)
- Consultant Expenses (Appendix F)

Pages 1-5 refer to general policy; specific requirements are noted in the Appendices as noted above.

PHILOSOPHY

This policy is based on the principles of accountability, transparency, value for money, and fairness.

POLICY

Application

- This policy applies to any person in the Health Centre including Board members, employees, physicians, and consultants and contractors engaged by the Health Centre to provide consulting or other services. In the policy, when reference is made to “staff”, “staff member” or “employee”, the discussion, where applicable, is also intended for physicians and Board

members. Consultants and contractors are not to be considered “staff”. When reference is made to “Senior Leader” or “manager”, for physicians, this denotes the Chief of Staff.

- The Health Centre expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

Reimbursement

- Staff should be reimbursed for reasonable and actual expenses incurred by them when on Health Centre business. Please see Appendices A-F for specific reimbursement procedures.
- Reimbursable expenses should support objectives of the Health Centre.
- Staff should obtain all appropriate approvals before incurring expenses; if no prior approval was obtained, then a written explanation must be submitted with the claim.
- Expenses should be reimbursed provided they are supported with original receipts and/or documentation.
- Expense reports that do not comply with policies and procedures may be returned to the staff member and not processed until corrected.
- Expense reports should be submitted in a timely manner, within one month of the completion of travel or incurrence of expense. Any expenses submitted past the accepted timeframe may not be reimbursed and an explanation indicating reasons for the delay in submission should accompany the request for reimbursement.
- Staff should aim to make the most practical, economical and reasonable arrangements for travel, meals, and corporate expenses.
- Staff need to utilize appropriate purchasing practices, including utilizing the purchasing department or other assigned travel suppliers when arranging for business travel.
- Education bursaries are not captured under this policy. Please see policy *SJ-08-02-55 Educational Courses* for information regarding education bursaries.
- Alcohol expenses cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- The Health Centre expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

Employee Safety

- The Health Centre is committed to ensuring all employees are responsible and accountable for their own safety and for the safety of their co-workers while traveling.
- Employees are required to comply with all laws governing vehicles and driving, including not using cell phones and hand-held personal digital devices.
- For travel within Canada, employees are covered under the Health Centre’s health insurance plans in the event of illness or injury. The cost of additional private medical/health insurance will not be reimbursed for travel within Canada.

- For travel outside Canada, employees are responsible for arranging out-of-country medical insurance. This cost is reimbursable. When purchasing out-of-country medical insurance, it is advised that you also purchase the option that allows for immediate payment of costs at the time of the incident (e.g. up-front payment option).

Consultants

- In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor. Please see Appendix F.

APPROVAL PRINCIPLES

Staff expenses must be approved by their manager.

The person approving the expense report is responsible to ensure all claims are correct, reasonable and in accordance with the expense policy.

Expenses cannot be claimed by an individual that are incurred by his/her manager (e.g., an executive who reports to the CEO cannot submit a claim that includes the cost of the CEO's lunch even if they were at the same event, with the result that the CEO would thereby approve his/her own expenses).

Approvers are required to:

- provide approval only for expenses that were necessarily incurred in the performance of Health Centre business; and
- provide approval only for claims that include all appropriate documentation.

When exercising managerial discretion, rationale must be documented. All decisions made under the expense rules should be taken very carefully.

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 this policy and the expense rules.

When a situation arises and discretion needs to be exercised, approvers should consider whether the request is:

- able to stand up to scrutiny by auditors and members of the public;
- properly explained and documented;
- fair and equitable;
- reasonable; and
- appropriate.

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.

HOSPITALITY AND CORPORATE EVENTS

Please refer to policy *SJ-05-03-11 Hospitality and Recognition Events* for guidance.

ACCESSIBILITY

SJHC will accommodate staff with disabilities with special travel and other requirements wherever possible. Please refer to policy *SJ-06-01-07 Accessible Services for People with Disabilities* for further guidance.

DEFINITIONS

Authorization – The approval of an expense reimbursement and business travel claim by the appropriate person with adequate signing authority. Generally, authorization requires the immediate supervisor’s approval as long as the expense claim amount is within their signing limit (signing limits are as per policy *SJ-05-02-08 Requisitions*).

Business Expenses – Reasonable expenses incurred by staff in the course of performing their duties.

Business Travel – Travel required for Health Centre business and authorized by the appropriate level of authority.

Consultant - a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

Consulting Services - the provision of expertise or strategic advice that is presented for consideration and decision-making.

Health Centre business is considered:

- driving required as part of an employee’s job description;
- use of an employee’s personal vehicle during working hours; and
- other work-related driving approved by an employee’s manager e.g. driving to external meetings.

Office – The Health Centre-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 staff member.

Receipt – An original document, or carbon or certified copy, with the details

of the expenditure, the amount, the date and indicating proof of payment.

Senior Leader – Member of the Senior Leadership Team above Director level (Chief of Staff for physicians).

Staff – For the purposes of these Guidelines, “staff” includes all Health Centre employees, credentialed physician leaders, volunteers, faculty, Board of Trustees and Committee members, outsourced service staff and other individuals engaged in Health Centre business and who intend to receive travel and expense reimbursement under this policy.

REFERENCES

OHA Hospital Expense Policy Guidelines

<http://www.oha.com/News/Documents/OHA%20Hospital%20Expense%20Policy%20Guidelines%20-%20March%201.pdf>

CROSS REFERENCES

Code of Business Ethics

Procurement Procedure Manual (SJ-05-02-01)

Procurement Policy (SJ-05-02-10)

Hospitality & Recognition Events (SJ-05-03-11)

Authorizations – Board of Directors (SJ-02-02-06)

Signing Authority – Requisitions (SJ-05-02-08)

Signing Authority – Contracts (SJ-05-01-06)

Retention of Records (SJ-02-02-05)

Accessible Services for People with Disabilities (SJ-06-01-07)

REGULATORY REFERENCES

Broader Public Sector Expenses Directive

Broader Public Sector Travel, Meal and Hospitality Expenses Directive (Ontario)

Highway Traffic Act RSO 1990

DEVELOPED BY: Financial Services

REVIEWED BY: Senior Leadership Team

DISTRIBUTION: Everyone

APPENDIX A

EXPENSE REIMBURSEMENTS

Philosophy

Reimbursable business expenses should:

- Be work related;
- Be modest, appropriate and reasonable;
- Strike a balance among economy, health and safety, and efficiency of operations;
- Be submitted in a timely fashion, and in the form and manner stipulated under Health Centre policy. Generally, expenses of a personal nature should 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 Health Centre business.
 - recreational purposes (e.g. video rentals, mini-bars, special facilities charges, entertainment not directly related to Health Centre business, etc.)
 - personal items not required to conduct Health Centre business
 - memberships to reward programs or clubs (e.g., airline clubs)
 - social events that do not constitute Hospitality as described in policy *SJ-05-03-11 Hospitality & Recognition Events*
 - alcoholic drinks, unless part of Hospitality
 - expenses incurred due to the presence of friends or family members
 - 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

Procedure

- Employee expense reimbursements are made by using the “Employee Expense Report” form. Employees get their reimbursements via EFT payment through the payroll system. Reimbursement requests made by Board members, physicians, and others who are neither staff nor consultants and contractors should be made by using the Operating Cheque Requisition form (#438). (These forms may be found on the SJNet Homepage, Financial Services homepage). Please refer to the *Consultant Expenses* section of this policy in Appendix F for information pertaining to expense claims for consultants and contractors.
- A hard copy of the form should be accompanied with original, itemized receipts.
- The claim should clearly state to whom the payment should be made.
- The claim should state the business purpose for the expenditure.
- If the individual seeking reimbursement incurred costs on behalf of other individuals (e.g. meals purchased on behalf of clients), the names and titles of those other individuals should be included.

- The form should be signed by the staff member requesting reimbursement and the staff member's immediate supervisor if the total is within their authorization limit. It should include a valid accounting cost centre and expense account code.
- Reimbursements will be made at the Canadian dollar amount paid as per the credit card statement, or, if paid in US dollars, at the Canadian dollar equivalent (based on the prevailing exchange rate).

APPENDIX B

TRAVEL

Overview

- Travel under \$100 does not need to be pre-approved.
- Travel within Ontario that will cost between \$100 and \$1,000 must be approved in advance by a claimant's manager. Travel outside Ontario but within North America and/or travel that costs between \$1,000 and \$5,000 must be approved in advance by the applicable Director (or individual's manager, whomever is more senior). Travel outside North America and/or where estimated costs exceed \$5,000 must be approved in advance by the applicable Senior Leader. Pre-approval using the Travel Request and Approval form should be documented and attached to the travel claim. (This form may be found on the SJNet Homepage, Financial Services homepage).
- Requests for international travel must include written rationale demonstrating critical value of travel for Health Centre organizational priorities and interests, and detail how the travel will produce a benefit for the Health Centre, along with documentation showing detailed itemization of anticipated expenses.
- The original receipt for all modes of transportation should be attached to the expense report.
- 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 Health Centre business with the least cost to the Health Centre, 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.
- Basic economy/coach fares will be paid by the Health Centre. Any upgrades would be the responsibility of the staff member.
- Participation in frequent flyer or other loyalty programs is permitted provided that staff choose the most cost-effective accommodation or method of travel.
- When planning any travel, consider business continuity (e.g., deciding whether senior management or people with specialized knowledge or expertise should travel together).
- Travel with others (e.g. spouse), including meals and cancellation fees, are not covered and must be paid for by the staff member.
- 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. Personal travel does not include travel to or from home when traveling for business.
- In the event that travel is cancelled, any travel expenses that have been reimbursed to the staff member by the vendor, including but not limited to the cost of train or flight tickets, must be reimbursed to the Health Centre within thirty (30) days of such cancellation.

Procedure Vehicle

Rules of Operation

1. All drivers are responsible for ensuring that they are in possession of a valid driver's license.
2. The driver will be responsible for discipline and passenger conduct while traveling.
3. The driver will ensure that the vehicle is properly maintained.
4. The driver must be mentally and physically able to drive safely.
5. The driver who operates the vehicle is representing the Health Centre and is personally responsible for driving in a safe and legal manner. All local, provincial, and federal regulations and Health Centre procedures, guidelines and Code of Conduct must be followed.
6. When multiple occupants are in the vehicle smoking is not permitted.
7. The driver is responsible for any tickets/fines received during operations of their vehicle.

Employees are required to comply with all laws governing vehicles and driving, including not using cell phones and hand-held personal digital devices. It is expected that employees will pull over the vehicle when it is safe to do so and then operate the device.

Overview

- When deciding between renting and using a personal vehicle, the most practical and economical means should be chosen.
- The use of rental vehicles is encouraged over the use of a personal vehicle when the total distance in one day exceeds 200 kilometres as it is generally more economical.
- Where a traveling accumulates more than 1,600 km/month on a regular basis, the manager should investigate lower cost options. Where a traveling continues to use a personal vehicle, the rationale for this practice should be documented.
- If staff are going to drive a personal vehicle for more than five days within a single calendar month, lower cost options should be considered, such as vehicle rental or audio or video conferencing.
- The use of toll highways, including but not limited to Highway 407 (ETR), should be restricted where possible, and the use of such routes is subject to manager approval.
- 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 to continue using a personal vehicle, the research and rationale must be documented and approved.

Rental Vehicles

- When renting a car for Health Centre business, always choose the smallest size that fits the number of people traveling, business task, and weather conditions. Staff are required to use car rental companies approved by the Health Centre where possible to ensure the most favourable rates, and must ask for a government or preferred rate. All luxury and sports car rentals should be expressly prohibited.
- Liability insurance offered by the car rental companies must always be purchased when renting cars. Collision coverage is not required, as this is covered under the Health Centre's insurance policy.
- Rental cars must be traveling 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

- Use of a personal vehicle must be discussed in advance with the staff member's manager.
- A daily log must be kept, tracking business use of the vehicle.
- Employees must have a valid driver's license.
- Employees are responsible for maintaining their vehicle in a safe manner.
- Personal vehicles used on Health Centre 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*. The Health Centre's liability coverage is secondary coverage to a personal insurance policy. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles. The Health Centre will not reimburse costs of collision and liability coverage, nor is it responsible for reimbursing deductible amounts related to insurance coverage.
- For greater clarity, the Health Centre assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when used for Health Centre business. Those driving a personal vehicle on Health Centre business cannot make claims to the Health Centre for damages as a result of a collision.
- When staff use their own vehicles for Health Centre business, reimbursement will be in accordance with the approved traveling allowance. This allowance is for the estimated costs of fuel, depreciation, maintenance and insurance.
- The mileage reimbursement rate is assessed by Financial Services and will be revisited from time to time. The current mileage rate is \$0.43 per km. The mileage rate is inclusive; no claims shall be allowed for maintenance, operation or repair.
- Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.

Public Transit

- Local public transportation including hotel/airport shuttles should be used wherever possible.

Taxis

- SJHC provides taxi vouchers for the approved taxi company only. Staff should endeavour to use these vouchers unless circumstances dictate the need to use the services of other taxi companies. Taxi chits/vouchers may be obtained from Patient Care Managers and Department Managers.
- Prior approval to use a taxi should be considered wherever possible.
- The use of taxis by staff should be reasonable; staff are encouraged to use public transit wherever possible. Examples of when taxis may be appropriate include:
 - transportation for general Health Centre business purposes;
 - group travel by taxi is more economical than the total cost of having individuals travel separately by public transit;
 - taking a taxi allows staff to meet an unusually tight schedule for meetings;
 - situations requiring transportation between stations or airports and the Health Centre;
 - situations requiring transportation between stations or airports and a staff member's home;
 - transportation from the Health Centre to home well after normal work hours where other forms of transportation (including public transit) are unavailable or are determined to be unreasonable;
 - transportation home from a staff event, or an event supporting Health Centre business; and,
 - when it is at the discretion of a staff member's supervisor.
- Reasonable gratuities for taxis are reimbursable (10% of taxi fare).

Train

- Use rail sparingly. Always make sure travel is necessary and explore other options such as teleconferences and video conferencing.
- Staff may travel by train while carrying on Health Centre business, if it is the most practical and economical way to travel.
- Staff must ask for a government or preferred rate.
- It is expected that members of staff will choose the most economical and direct form of transportation by train. A coach class economy fare is the standard. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.
- The preferred method is to go through Purchasing so as to ensure that the Health Centre's travel policies and procedures are adhered to (which may include use of a preferred travel agency).

Air

- Use air sparingly. Always make sure travel is necessary and explore other options such as teleconferences and video conferencing.
- Air travel is permitted if it is the most practical and economical way to travel. Prior approval for all travel by air must be obtained and documented in writing.
- Staff should travel Economy class for all domestic and international travel unless pre-approved by their Senior Leader.
- Staff must ask for a government or preferred rate.
- It should be Health Centre policy to obtain maximum savings on air travel expenses within reasonable limits. Every effort should 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 receipt must be attached to the expense report for each segment of travel.
- The preferred method is to go through Purchasing so as to ensure that the Health Centre's travel policies and procedures are adhered to (which may include use of a preferred travel agency).

APPENDIX C

MEALS & ALCOHOL

Procedure

- Staff are reimbursed for reasonable meal expenses, subject to approval by the claimant's manager, when traveling on Health Centre 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 (limited to 15% of the pre-tax amount of the bill) 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 or conferences.
- Reimbursement is for restaurant/prepared food only. Reimbursement for groceries must have prior approval and a written rationale must be submitted with the claim.
- 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. The highest ranking staff member should pay for the meal expenditures.

Meal rates

- Reimbursement for meal expenses is subject to the maximum rates set out in the chart below. These rates include taxes and gratuities.

Meals	Canada/U.S. maximum amount	International maximum amount
Breakfast	\$10.00	\$13.00
Lunch	\$15.00	\$17.00
Dinner	\$25.00	\$30.00

- Staff are encouraged to be economical wherever possible. Any costs over and above these limits will be borne by the employee.
- The rates are not an allowance. They are for individual meals; staff must have eaten the meal to be able to submit a claim for reimbursement.
- When more than one meal is claimed for any day, staff may allocate the combined maximum rates between the meals. For example, if staff will be eating both breakfast and lunch, the combined rate (in Canada) is \$25.00. This now becomes the maximum rate for the two meals, regardless of what is spent on each meal.
- Note that it is not permitted to use a combined maximum rate and not claim for each of the meals. For example, it is not permitted to combine the maximum amounts for breakfast and lunch (\$25.00) to claim for brunch. Nor

is it permitted to combine maximum three-meal rate (\$50.00) if only two meals are eaten.

Alcohol

The Health Centre will not reimburse for related alcohol expenses.

APPENDIX D

ACCOMMODATIONS

- Staff should use the most economical accommodation available (a standard quality room in a moderate range hotel or motel) that is convenient to the event being attended. Staff must ask for a government or preferred rate. 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 detailed copy of the hotel bill must be attached to the expense report.
- Generally, staff should not be reimbursed for entertainment, laundry service, pay TV or movies, or special facility charges (e.g. fitness clubs). However, under certain circumstances, including but not limited to long-term business trips, the Health Centre may reimburse some or all of these costs with the prior approval of the appropriate Senior Leader (or delegate). Costs should always remain reasonable.
- 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. Wherever possible, the most cost-effective method should be used in order to minimize costs (e.g. hotel vs. cell phone).
- Standard tips and gratuities are reimbursable, but should be documented on the expense report.
- While travelling on Health Centre 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 Health Centre business.
- The Health Centre expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.
- In the normal conduct of business, reimbursement for overnight accommodation within reasonable proximity of the Health Centre will not be authorized or approved. However, in emergency or highly unusual situations exceptions will be considered. For example: staff are required to remain close to the Health Centre for periods long in excess of standard working hours; and staff services are deemed necessary (and approved accordingly) for the purposes of emergency or crisis management.
- 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.

APPENDIX E

TELECOMMUNICATIONS

With prior approval, staff may use their Blackberry or Health Centre cell phone for business purposes when traveling. Staff must speak with their manager to determine what is covered in their Blackberry or cell phone plan and how the Health Centre wishes to handle long distance or roaming charges.

Wherever possible, staff are expected to use the least expensive means of communication, such as calling cards.

Use audio or video conferencing whenever possible, as an alternative to travel.

If staff are away on Health Centre business, reimbursement will be made for 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

In addition, reimbursement will be made for reasonable costs for necessary personal calls home for each night away. Wherever possible, the most cost-effective method should be used in order to minimize costs (e.g. hotel vs. cell phone).

A detailed invoice for each Health Centre supplied wireless device is received monthly from the service provider and is paid directly by the Health Centre. The employee must review the bill to ensure its accuracy and to determine if there are any charges for personal use that must be reimbursed (for usage over and above occasional use). Once the employee has reviewed the invoice, they must sign the invoice and forward it to their supervisor with a note identifying any reimbursement for personal use. The supervisor must review and approve the invoice.

To reimburse the Health Centre for the employee's personal costs, the employee submits a cheque payable to SJHC to the attention of Financial Services. A copy of the invoice must be included with the reimbursement. Reimbursements must be made at least quarterly.

APPENDIX F

CONSULTANT EXPENSES

- Consultants are not considered staff and therefore should not be covered by personal business expense policies.
- In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor. Therefore, they cannot claim or be reimbursed for such expenses, including:
 - meals, snacks and beverages;
 - gratuities;
 - laundry or dry cleaning;
 - valet services;
 - dependant care;
 - home management; and
 - personal telephone calls.
- In some cases, a contract signed before April 1, 2011 may have permitted reimbursement for the items listed above. In such circumstances, the consultant should be discouraged from making a claim for such items, although the Health Centre will need to honour the existing contract if the consultant continues to invoice for these costs.
- Consultants should seek reimbursement only for expenses explicitly agreed to by the consultant and the Health Centre and as detailed in the consultant's contract. Any claims for reimbursement must be invoiced to the Health Centre, and must be consistent with Health Centre policies. The contract between the Health Centre and the consultant (developed in conjunction with Purchasing) should clearly specify any and all reimbursable expenses.

Please refer to policy # *SJ-05-02-01 Procurement Procedure Manual* for further information.