

MANAGEMENT MANUAL

POLICY

SUBJECT : **FINANCE** **Number:** **II-a-4**
APPROVED BY : **EXECUTIVE LEADERSHIP TEAM** **Date:** **O - 2003-05-01**
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EXPENSE REIMBURSEMENT

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Always refer to the NGH Intranet site for the most current version.)*

1. Purpose

To establish rules detailing how eligible expenses incurred while carrying out authorized Norfolk General Hospital (NGH) business will be reimbursed for employees of NGH and other eligible claimants.

2. Scope

This policy is intended to clarify:

- 2.1. The responsibilities of the organization and any person making an expense claim. Claimants include the following:
 - i) appointees,
 - ii) board members,
 - iii) employees, and
 - iv) consultants and contractors engaged by the organization, providing consulting or other services where the contract specifically provides for the reimbursement of allowable expenses (subject to 6.2).
- 2.2. The expenses that are eligible for reimbursement
- 2.3. The procedures which must be followed in order to be reimbursed for eligible expenses.

3. Principles

This policy is based on four key principles:

3.1. Accountability

The organization is responsible for public funds used to reimburse travel, meal and hospitality expenses. All expenses support NGH business objectives.

3.2. Transparency

The organization is transparent to all stakeholders. The rules for reimbursing travel, meal and hospitality expenses are clear, easily understood and available to the public.

3.3. Value for Money

Taxpayer dollars are used prudently and responsibly. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.

3.4. Fairness

Legitimate authorized expenses incurred during the course of the business are reimbursed.

4. Accountability Framework**4.1 Employer's Responsibilities**

4.1.1. NGH is responsible for maintaining appropriate controls and checks as part of its accountability.

4.1.2. The authorized approving officer is responsible for ensuring that claims are for expenses that were incurred in the performance of NGH business, are within the conditions of this policy, are being charged to an appropriate account and include all appropriate documentation.

4.1.3. No person shall authorize any expense that may confer a benefit on that same person.

4.1.4. NGH reserves the right to deduct from the claim any expenses deemed inappropriate, unauthorized or unsubstantiated by proper receipts in accordance with the present policy.

4.1.5. Each expense account processed by Accounts Payable will be subject to the Hospital's internal audit procedure, which includes review by the Director of Finance or the Vice-President, Finance or their designate prior to payment.

4.1.6. All reimbursed expense claims are kept on file for a period of no less than seven years.

4.1.7. This expense policy must be posted on NGH's website in an accessible form so that it is available to the public.

4.2 Claimant's Responsibilities

4.2.1. All claimants are expected to conduct all authorized business in the most efficient and economical manner available. NGH is committed to the responsible use of the organization's resources. Prior to choosing the option to travel for business purposes, other options such as teleconferences and video teleconferencing must be explored.

4.2.2. The claimant must obtain all appropriate approvals before incurring expenses. An employee is responsible for seeking authorization from his/her Director/Manager, in advance of their travel dates for all travel, including the type of transportation and accommodation.

4.2.3. All expenses must be submitted on a Form A-20 with original, itemized receipts attached. All expenses must be approved prior to payment by the Manager, Department Director, or member of the Executive Leadership Team to whom the Claimant reports. Expenses submitted by the Vice-Presidents will be approved by the President. Expenses submitted by the President will be approved by the Chair of the Board of Directors or designate.

4.2.4. Expenses for a group can only be claimed by the highest ranked person present.

4.2.5. The Claimant is required to submit reimbursement claims within three months from the travel date. Expenses submitted beyond the three month timeframe will only be reimbursed at the discretion of the Director of Finance.

4.2.6. Expenses must be in excess of \$20 when submitted unless no further expenses are expected to be incurred within the next three months.

4.2.7. The Claimant is responsible for ensuring that claims for reimbursement are accurate, conform to this policy, conform to any funding agency rules, and that all expenditures are supported by original receipts.

4.2.8. While this policy addresses the maximum amounts that NGH will pay for travel expenses, the claimant may choose to upgrade at his/her own expense. If travel expenses are to be paid directly by the Employer, the difference in cost must be submitted to the Employer at the time of booking.

4.2.9. Claimants are responsible for repaying any overpayments; such overpayments are considered a debt owing to the organization.

4.2.10. All claims for expense reimbursement must be submitted prior to leaving the employment of NGH.

4.2.11. Where the original receipt documentation is not available, the claimant shall provide a written explanation with the claim to provide the approver with adequate information as to what the expense item is for and why there is not original receipt documentation available.

5. Allowable Expenses

5.1 Mileage

5.1.1. Local travel will be reimbursed at the rate of \$6.40 per trip.

5.1.2. Travel out of town on NGH business (meetings, conventions, workshops, etc.) will be reimbursed at the mileage rate of \$0.44 per kilometre. This mileage allowance is to cover the cost of fuel, depreciation, maintenance, repairs and insurance.

5.1.3. Mileage will be measured from the hospital to the destination and returning to the hospital. When travel begins or ends at the claimant's residence the distance reimbursed is the distance between NGH and the travel destination or between the claimant's home and the destination, whichever is less.

5.1.4. The cost of transportation between a claimant's residence and the NGH site is not reimbursed.

5.2 Meals

5.2.1. Meals will be reimbursed at the actual cost of meals, including gratuity up to the maximum allowance of \$12 for breakfast, \$15 for lunch and \$30 for dinner (Canadian or American depending on origin of expense). Any amount submitted over the meal allowance will be the responsibility of the claimant. All such claims must be accompanied by original receipts.

5.2.2. Meals that occur as part of a meeting with an external party are permissible. Meals consumed during a meeting with hospital staff only are not eligible for reimbursement unless for the purposes of reward or recognition.

5.2.3 When an expense is incurred where a group of NGH employees are present, the NGH employee with the highest ranking position must claim and submit the original receipt for approval to their immediate supervisor. 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. The actual cost of the meal will be reimbursed up to the maximum allowable per person.

5.2.4. Additional costs associated with room service are **not** reimbursed.

5.2.5. Alcoholic beverages costs are **not** reimbursable except for hospitality events where the Board Chair, President & CEO, or Vice President has approved the expense in advance.

5.2.6. Hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities to people who are **not** engaged to work for NGH.

5.2.7. Social events or functions involving only employees of NGH or its affiliated corporations are not considered hospitality and cannot be reimbursed. Such non-reimbursable events would be office social events, retirement parties and lunches (holiday or otherwise).

5.3. Accommodation

5.3.1. Under normal circumstances, accommodations are not necessary for destinations of 100 kilometre distance radius of NGH or the Claimant's residence.

5.3.2. In exceptional circumstances, a claimant may have a need to stay overnight. Exceptional circumstances may include situations where:

- i) travel is considered unsafe; or
- ii) a conference exceeds two days; or
- iii) evening sessions are part of the conference schedule; or
- iv) the conference/event starts early (e.g. 8 am)

5.3.3. 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).

5.3.4. Claimants travelling with other members of the organization are not required to share accommodation.

5.3.5. 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.

5.3.6. If hotel reservations must be cancelled, it is the responsibility of the claimant 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.

5.4. Travel – General

5.4.1. Travel to out of town meetings, conventions, workshops, etc., will be reimbursed in accordance with this policy.

5.4.2. In all cases the most practical and economical means of transportation should be taken. Group transportation should be arranged whenever possible. Daily commuting is normally expected for events where the return mileage is 200 kilometres or less.

5.4.3. Should an alternative form of transportation or route be chosen for personal reasons, the claimant will be reimbursed to a maximum of what would have been incurred using the standard/or most economical form of transportation and/or more direct route to a given destination

5.5 Transportation – Private Vehicle

5.5.1. All reasonable parking expenses will be paid. Receipts should be attached to the expense statement. Parking meter charges are reimbursable without receipts.

5.5.2. Express Highway Toll charges will be reimbursed

5.5.3. Parking and traffic fines are not reimbursable expenses.

5.5.4. Employees using their vehicles for Employer business are responsible for ensuring that they have appropriate insurance coverage including an adequate amount of coverage for business use. A minimum of one (1) million dollars liability coverage is recommended.

5.5.5. Using private car as opposed to rented car, train or airplane cannot exceed the cost of any of these alternative types of transportation.

5.5.6. Deductibles are not reimbursed.

5.6 Travel - Other

5.6.1. Use air and rail sparingly. Always make sure travel is necessary and explore other options such as teleconferences and video conferencing.

5.6.2. For travel within the Greater Toronto Area, the cost of Go Transit train and bus fares are eligible for reimbursement. Original ticket stub must be submitted.

5.6.3. For travel outside of the Greater Toronto Area, the cost of Comfort Class (Economy) train fare is eligible for reimbursement.

5.6.2. For travel outside of Ontario, the cost of coach class airfare is eligible for reimbursement. Claimants must obtain the lowest available fare. Original ticket stub, electronic air travel, boarding passes and invoices must be submitted along with the invoices/itineraries from travel agency. Claims for First Class and Business Class travel will be reimbursed at the coach rate. 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 except in the event that an employee is off due to bereavement, sickness, jury duty or other unforeseen event for which they would normally be given time off. 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 Claimant to pursue credit for any unused refundable tickets. Airfare cancellation insurance is not reimbursable.

5.6.3. For transportation to and from airports, the most economical method of transportation should be utilized. Methods of transportation may include a car service, fixed rate taxi, or bus service. Hotel shuttle services (to/from airport) are to be used when available.

5.6.4. If necessary, car rental bookings can be made by the Claimant or with the assistance of a travel agency. Use compact or intermediate size cars. Sharing the vehicle with colleagues is strongly encouraged to minimize costs. Claimants must purchase the daily vehicle insurance coverage offered by the vehicle rental agency. Claimants travelling on Employer business must remember to refuel their rental car prior to its return and save the gas receipts for reimbursement.

5.7 Out of Country Travel

5.7.1. 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:

- i) Immigration visas/ Immunization vaccinations for travel outside of North America
- ii) Currency exchange on eligible expenses - The exchange rate will be calculated by accounts payable unless proof of the exchange rate is provided. The exchange rate should 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
- iii) Airport/departure taxes
- iv) Medical Insurance, although not reimbursable, is to be arranged by the employee by contacting Human Resources at least one week prior to the trip. This allows the organization to cover the cost of such insurance through existing policies.

5.7.2. All expenses associated with obtaining and/or renewing a valid passport are the responsibility of the Claimant and are **not** eligible for reimbursement.

5.8 Other Allowable Travel Related Expenses

5.8.1 Fax and e-mail charges

5.8.2. Reasonable laundry/dry cleaning (only after seven (7) consecutive days of travel for business purposes) for employees or board members only. Such expenses are not allowable for consultants or contractors.

5.8.3. Transaction fees levied by a travel agency

5.8.4. Reasonable telephone charges including one personal telephone call per day of duration no longer than 15 minutes.

5.9. Other Travel Situations

5.9.1. Spouses and common-law partners may travel with claimants. However, no costs associated with that travel are reimbursed .

6. Expenses Not Allowable

6.1. Expenses not allowable include but are not restricted to:

- i) Annual fees or finance charges for personal credit cards.
- ii) Claims for loss of personal effects, medical and hospital treatment, purchase of travel accessories (e.g. luggage, clothing etc.)
- iii) Personal services such as shoe shines, valet, laundry etc.
- iv) Personal entertainment charges
- v) Baby sitting
- vi) Pet care expenses
- vii) Mini bar/fridge in hotel room

6.2. Disallowed Expenses for Consultants and Other Contractors

6.2.1. Consultants and contractors will not be reimbursed for hospitality, incidental or food expenses in any circumstance. Therefore, they cannot be reimbursed for:

- i) meals, snacks and beverages
- ii) gratuities
- iii) laundry or dry cleaning
- iv) valet service
- v) dependent care
- vi) home management
- vii) personal telephone calls

6.2.2. Reimbursement for allowable expenses can be reimbursed only when the contract specifically allows for it.

7. Cash Advances

7.1 Cash advances related to expected expenditures related to hospital business may be provided with the approval of the Director of Finance.