

Reimbursement of Business Expenses

Section: Administrative Manual / FINANCE

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PURPOSE

To establish the principles, mandatory requirements and guidelines for reimbursing individuals for travel, accommodation, meals and other reasonable expenses incurred on behalf of Baycrest, in accordance with the Broader Public Sector Expense Directives, issued under the Broader Public Sector Accountability Act, as amended from time to time.

DEFINITIONS

Authorization – The immediate supervisor’s approval is required on all business travel and expense reimbursement claims as long as the supervisor has an adequate level of authority.

Business Travel – Travel required for Baycrest business and authorized, in advance, by the appropriate level of authority.

Employee – For the purposes of this policy, “employees” means all staff, doctors, volunteers, faculty, Board trustees, outsourced service staff and other individuals engaged in Baycrest business and who intend to receive travel and expense reimbursement under this policy.

Receipt – An original document or carbon or certified copy, showing the details of the expenditure, the amount, the date and indicating proof of payment. Photocopies are not acceptable unless authorized by the Director of the department and at least one level higher than the employee.

Travel – Business travel authorized by the appropriate spending authority prior to commitment of funds. It does not include commuting between a residence and place of employment.

This policy applies to staff, volunteers, doctors, outsourced service personnel, faculty, Board trustees, and other individuals engaged in Baycrest business and who intend to receive expense reimbursement from Baycrest.

PRINCIPLES

This policy is based on four key principles:

- **Accountability**
Baycrest is accountable for public funds used to reimburse travel and meal expenses. All expenses support organizational objectives.
- **Transparency**
Baycrest is transparent to all stakeholders. The rules for incurring and reimbursing travel and meal expenses are clear, easily understood, and available to the public.
- **Value for Money**
Taxpayer dollars are used prudently and responsibly. Plans for travel, meals and accommodation are necessary and economical with due regard for health and safety.
- **Fairness**
Legitimate preauthorized expenses incurred during the course of the business of an organization are reimbursed.

SCOPE

This policy applies to reimbursement of all travel and other expenses incurred by staff in performance of work-related activities, where the reimbursement involves public or donated funds. If more restrictive, the terms and conditions imposed by funding/granting agencies override this policy

When considering any business expenditure, including travel, the Materials Management Department should be involved in accordance with Administrative Policy VIII-10.

A Corporate Visa Card should be used as the method of payment, as outlined in Administrative Policy VII-451. Use of personal funds for Baycrest travel costs should be kept to a minimum. Reimbursement when use of personal funds will be made via direct deposit using the banking information stored in Payroll that was collected to facilitate payment to employees or on the Electronic Funds Transfer (EFT) form sent to Accounts Payable.

POLICY

Employees will be reimbursed for expenses which are:

- Work-related and not personal in nature, modest, appropriate and reasonable
- Submitted in a timely fashion and in the form and manner stipulated under this policy
- Supported by appropriate documentation such as original bills and itemized receipts

If any of the above cannot be met, a written explanation must be submitted with the claim, to provide the reviewer with adequate information for consideration of approval within the framework of this policy.

A full explanation of the business reason for each expense must be given with each claim for reimbursement. For example, the specific purpose of a business meal, together with a list of who was in attendance, must be provided. Reviewers must not authorize expenses where the business purpose is not expressly stated.

Generally, expenses of a personal nature will not be reimbursed. Such expenses include, but are not limited to expenses for:

- Traffic and parking violations incurred while driving on Baycrest business
- Recreational purposes (e.g. video rentals, mini bars, special facilities charges, entertainment not directly related to Baycrest business, etc.)
- Personal items not required to conduct Baycrest business
- Membership to clubs
- Hotel expenses incurred due to failure to cancel a reservation
- Credit card fees and payment charges
- Additional ancillary charges such as premiums for failure to refill fuel in a rental car
- Expenses resulting from unlawful conduct

Any overpayments must be repaid to Baycrest.

If leaving employment with Baycrest, expense claims should be submitted prior to departure.

Auditing Requirements

Reimbursements for travel and other business-related expenses are subject to examination by external auditors, including the Canada Revenue Agency and the Office of the Auditor General of Ontario.

If Baycrest reimburses expenses that are subsequently found not to comply with this policy, the individual will be required to repay such amounts.

Authorization

All expenses for reimbursement must be authorized by the person to whom the staff member reports and in accordance with Policy #VII-350.

Approvers may not approve their own expenses. Expenses for a group can only be claimed by the most senior person present.

Approvers must only provide approval for expenses that:

- were necessarily incurred in the performance of Baycrest business
- include all appropriate documentation

Travel and Accommodation

- All travel that is not specifically funded by an external source must be limited to events that are deemed essential to the ability to perform one's job
- All expenses not specifically funded externally must be pre-approved by the person to whom the staff member reports. Pre-approval should be documented (e.g. e-mail) and attached to the travel claim

- Staff are to use the most economical type and class of transportation and accommodation available and necessary. For example, air travel should be at the basic economy/coach class for all domestic and international travel; accommodation should be standard quality rooms at a basic hotel; car rental should be for compact automobiles; train travel is permitted when it is the most practical and economic method. Any upgrades would be the responsibility of staff. If travel is funded by an external source and the external source allows different types and classes of transportation and accommodation, the amounts will be reimbursed.
- Government or preferred rates must be requested.
- Purchase Orders are not required to buy air/land travel. If eligible to have a Baycrest Visa card, use it wherever possible to pay for travel expenses. Please refer to the Visa Purchasing Policy VIII-451 http://intranet3/BaycrestWork/Policies/Administrative/Finance/default_10147.asp on how to obtain a card. If you are an existing VISA cardholder and require a temporary increase to the transaction and/or monthly limit please have your supervisor send approved increases via e-mail to the Baycrest Visa Cardholder administrators – the Accounts Payable Supervisor x2660 or the Controller, Corporate Financial Services x2811.
- The original boarding pass/passes and ticket/E-ticket must be attached to the Business Travel and Expense Reimbursement Form for each segment of the travel.
- Travel for others (i.e. spouses), including meals and cancellation fees, is not covered and must be paid for by staff
- When personal travel is combined with business travel, staff will be reimbursed for the business portion of the trip at the lowest available fare. When the allocation of business versus personal travel is not clearly evident, (e.g. a multi-destination airline ticket where one or more of the destinations is for personal travel), the employee must obtain an airfare quote for the business portion only, at the same time as the actual airline booking. This quote must be submitted as supporting documentation and the employee will be reimbursed for the lower of this quote and the actual fare. If paid using the P-Card, the employee shall reimburse Baycrest for the difference, if any, between the actual fare and the quote.
- Reimbursement for travel to and from the airport should be the least expensive and most practical means of transportation.
- The cost for travel related Visas, immunization and, where required, travel medical insurance, will be reimbursed with appropriate supporting documentation.
- Staff will not be reimbursed for:
 - Mini Bar charges
 - Entertainment
 - Laundry services
 - Pay TV and movies
 - Special facility charges such as fitness club in the accommodation bill
 - valet services;
 - dependent care;
 - home management;
 - passport issuance and renewals;
 - traffic and parking violations;
 - expenses incurred due to the presence of friends or family members air tickets purchased with frequent flyer points because Baycrest only reimburses for out of pocket expenses

Long distance business and personal calls will be reimbursed up to the maximum of one personal telephone call per day, using the most cost effective method, during traveling.

- When renting cars, staff should:
 - Decline the optional waiver for collision deductible
 - Consider shared travel where possible when a number of staff members are attending the same function.

Accident Reporting

Accidents must be reported immediately to local law enforcement authorities, the rental care agency, the employee's immediate supervisor, the insurance company if using a personal vehicle, and the credit card company.

Use of Personal Automobiles (see also policy I-3-130)

- Staff members are responsible for getting to and from work on their own time and at their own expense
- An employee may claim reimbursement for necessary, approved use of a personal car on Baycrest business based on the distance travelled, excluding commuting distance between Baycrest and the staff member's home, unless the distance is shorter from the employee's place of residence and they leave directly from their residence on business travel, at the authorized per kilometer rate of reimbursement (current rate is available from Accounts Payable).
- Personal vehicles used on Baycrest's business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage should be equal to \$2 million liability (amount recommended by our insurer). It is up to the individual staff driver to decide whether their motor vehicle insurance coverage should include business use of their vehicles.
- Baycrest will not reimburse costs of collision and liability coverage. For greater clarity, Baycrest assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when driving for Baycrest business. Those driving a personal vehicle on Baycrest business cannot make claims to Baycrest for any special, indirect, incidental or consequential damages arising from any claim that is incurred during personal automobile usage for Baycrest business.
 - Receipts for parking lot charges must be submitted with Business Travel and Expense Reimbursement Form. Valet parking is permitted if this is the only option available or if valet parking is more reasonable than other parking options within the area. Staff should select the most economical parking option. An explanation must be included on the Business Travel and Expense Reimbursement Form.

Taxi Services

- Taxi services are justified where group travel is more economical than the total cost of having individuals travel separately to the same event/place.
- Baycrest has a preferred vendor for taxi services. Employees are reminded that they are to use the preferred vendor when taxi services are required within Toronto. Taxi chits for the travel can be obtained from the Manager or Administrative Assistant of the area, rather than using cash.

Insurance

- Although the car owner may be on Baycrest business at the time, Baycrest insurance policies do not cover damage liability or loss to personal property.
- Under no circumstances will Baycrest be liable to the employee or any third party for any special, indirect, incidental or consequential damages arising from any claim that is incurred during personal automobile usage for Baycrest business.

Meals

- Staff may claim the cost of meals including reasonable gratuities (generally between 10% and 15%) and tax incurred while on authorized overnight travel for Baycrest to a maximum amount of \$50 per day. Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses
- Meals which include external parties must be pre-approved by the person to whom the staff member reports. The Business Travel and Expense Reimbursement Form must include a brief explanation of the event, a list of those in attendance and an itemized receipt.
- The cost of meals will only be reimbursed if part of business travel or when external parties are involved. The cost of meals for Baycrest staff only is not a reimbursable expense. Meal expenses for a group must be claimed by the person in the most senior position.
- No reimbursement for meal costs shall be made for meals at home prior to departure or on return, or for meals included in the cost of transportation, accommodation, seminars or conferences.

Alcohol

In no circumstances under this policy will alcoholic beverages be a reimbursable expense. The cost of alcoholic beverages must always be paid from personal funds.

Hospitality

- Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at Baycrest's expense to persons who are not engaged in work for Baycrest.
- Hospitality expenses must be approved in advance by the President and CEO. Hospitality should be extended in an economical, consistent, and appropriate way when it will facilitate Baycrest business or is considered desirable as a matter of courtesy.

- Hospitality may never be offered solely for the benefit of Baycrest staff and/or others covered by the Ontario Broader Public Sector Expenses Directive. This includes staff from designated Broader Public Sector Organizations (such as Public Hospitals) and staff from any Ontario Government Ministry or Agency.
- Staff hosting hospitality events that include vendors as guests should review the Conflict of Interest policies and discuss the event with their supervisor to ensure the event does not give or perceive to give preferential treatment to any vendor.

Staff Events

Staff events may be offered for the benefit of Baycrest staff. This would include the hosting of retirement parties, staff recognition events and corporate wide events, including holiday meals. Staff events may be hosted annually by a department and team events may be hosted to recognize completion of major projects or milestones. Cost of events should be appropriate to the circumstances and are limited to \$15/per attending/per annum. The following applies for staff events:

- The event must be appropriately authorized prior to the occurrence of the event where reimbursement is expected.
- The invoice must be appropriately authorized. The person in the most senior position at the event must submit the expense.
- Staff recognition events must be consistent with appropriate Human Resources and Organizational Effectiveness policies

Vendor Hospitality

Staff should be aware of the Conflict of Interest policies and seek their immediate supervisor's approval prior to accepting or attending any events.

Catering

- Catering may be purchased for events in which external parties (clients, visitors from other non-Broader Public Sector organizations, donors and prospective donors) are invited.
- Catering may be purchased for internal business meetings, and business meetings involving staff from other BPS organizations, where the meeting is 2 or more hours in length.
- Catering may be requested as part of formal recognition programs
- Catering may otherwise not be requested nor will the cost of food or refreshments be reimbursed.
- Catering may be ordered from an external source only if internal Food Services are unable to provide the required service. In all cases, discretion should be used when deciding whether the serving of food is essential and appropriate based on the time of day of the event.

Conferences/Registration Fees

Conference attendance (including training) must be pre-approved at the Executive Director/Director level or higher.

Guidelines for approving conferences:

The conference must be directly related to the employee's job or future career development, and should enhance their job performance

Staff will be expected to provide to their manager, a personal statement describing:

- a. how this conference relates to his/her job or future career development and how it will enhance their job performance;
- b. how the learning from the conference will benefit the department/unit in keeping with Baycrest's strategic directions; and
- c. how the employee will share information with his/her colleagues regarding the benefits, learning and outcomes of the conference

Home Phone, Personal Cell Phone and Home Internet Services

Employees will not be reimbursed for any portion of their home phone, personal cell phone and home internet. If required, employees will be provided with a corporate cell phone or blackberry.

In circumstances where the delivery of the corporate cell phone or blackberry is delayed, employees will be reimbursed for business related calls with appropriate authorization and documentation of charges.

Gift Cards and Other Near Cash Expenditures

Gifts

Appropriate token gifts of appreciation, valued up to \$30, may be offered in exchange for gifts of service or expertise to people who do not work at Baycrest in exchange for pro-bono services. Gifts valued over \$30 must have prior by the responsible Director, VP or CEO. An honorarium is not subject to this Policy.

The cost of gifts for employees is not a reimbursable expense unless it is part of the formal recognition program managed by the Organizational Effectiveness Department.

Gift Cards and Other Near Cash Expenditures

Employees

Gifts may be provided to employees only as provided for in Baycrest-wide staff recognition policies such as retirement and long service policies.

Baycrest will not reimburse employees for expenditures on **cash or near-cash gifts awards** if the recipient of the gift is a Baycrest employee

A near-cash item is something that can be easily converted to cash, such as gift certificates and is **not** reimbursable.

The Canada Revenue Agency's tax legislation requires all **cash or near cash gifts** to be a taxable benefit to the **employee** receiving the gift certificate, regardless of the amount or the purpose of the gift. For more information, please see the Human Resources/Organizational Effectiveness Recognition Policy on the Intranet.

Non Employee Gift Cards (e.g. Clients, Volunteers)

Some programs purchase gift cards for their clients and volunteers e.g. gift cards from supermarkets. In these circumstances, the gift cards are **not** a taxable benefit as the gifts are going to clients and not Baycrest employees.

The names of the clients or volunteers receiving the gift card and the reason for the gift must be included as supporting documentation with the Business Travel and Expense Reimbursement Form. This is to ensure that gift cards are not being given to employees, which would be a taxable benefit, and is therefore not an allowable reimbursement.

For more information on allowable reimbursements for gifts, please contact the Controller, Corporate Financial Services.

Procuring Computing Resources

- All software, devices, (e.g. computer (laptop or desktop), phone, smart phone etc.), and accessories must be ordered through Information Technology (IT)
- All non-standard devices and peripherals will be charged to the requesting Cost Centre.
- Users will be limited to one device of each type (e.g. computer (laptop or desktop), phone, smart phone etc.). Exceptions to this must be pre-approved by the Manager of Information Technology.
- Information Technology reserves the right to select the appropriate model of device required from a short list of supported devices.
- All non-standard devices must follow IT standards for encryption and safety protocols.
- If possible, managers are advised to redeploy any existing device(s) to a new user (e.g. staff replacement who will also require a similar device). This will prevent new hardware cost and/or cancellation charges. The manager must notify IT when redeploying the device(s) to ensure inventory control.

Consultant Expenses

- In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors, including:
 - meals, snacks and beverages;
 - gratuities;
 - laundry or dry cleaning;
 - valet services;
 - dependent care;
 - home management; and
 - personal telephone calls.
- Consultants may seek reimbursement only for expenses explicitly agreed to by the consultant and Baycrest and as detailed in the consultant's contract. Claims for reimbursement must be invoiced to Baycrest and must be consistent with Baycrest policies.

Business Travel and Expense Reimbursement Form

All Business travel expenses and other expenses for reimbursement must be submitted for reimbursement with the [Business Travel and Expense Reimbursement Form](#). All reimbursements will be made in Canadian dollars. All expense reimbursement claims must be submitted within 90 days of the date of the expenditure and prior to the fiscal year end cutoff

Procedural Steps	Key Points
<p>A. Expense Claimant</p> <ol style="list-style-type: none">1. Obtains pre-authorization for expenses via email2. Pays expenses and obtains bills and receipts (using Corporate Visa card whenever possible)3. Prepares and submits the Business Travel and Expense Reimbursement Form (see below)4. Completes Corporate Visa report online when applicable <p>B. Approving Authority</p> <ol style="list-style-type: none">5. Checks that expenses comply with policy and approves the Business Travel Expense Reimbursement Form <p>C. Accounts Payable Department</p> <ol style="list-style-type: none">6. Checks that the Business Travel and Expense Reimbursement Form is complete7. Verifies Corporate Visa expenses	<p>As actual approval of reimbursement will occur after expenditures have been made, the staff member should seek pre-authorization to ensure a clear understanding of the commitment and limits</p>

Links: [Business Travel and Expense Reimbursement Form](#)

References: [Broader Public Sector Expenses Directive](#)
http://www.mgs.gov.on.ca/en/Spotlight2/STDPROD_098139.html

[Travel, Meal and Hospitality Expense Directive](#)
http://www.mgs.gov.on.ca/en/Spotlight2/STDPROD_080798.html