

Section: Corporate- Finance

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Table of Contents

1.0	PURPOSE.....	2
2.0	PRINCIPLES.....	2
3.0	MANDATORY REQUIREMENTS – GENERAL.....	2
4.0	ACCOUNTABILITY FRAMEWORK.....	3
	4.1.... Managerial Discretion.....	4
	4.2.... Public Disclosure of Expenses.....	5
5.0	TRAVEL.....	5
	5.1.... Prior Approvals for Travel.....	5
	5.2.... Before Traveling.....	6
	5.3.... Transportation – How to Get There.....	7
	Airplane.....	7
	Train.....	7
	Vehicle.....	7
	Reimbursement and Rates.....	8
	Taxis.....	9
	5.4.... Accommodation.....	9
6.0	MEALS.....	10
7.0	HOSPITALITY.....	10
8.0	EXPENSES FOR CONSULTANTS AND OTHER CONTRACTORS.....	11
9.0	DEFINITIONS.....	12

1.0 PURPOSE

The purpose of this Policy is:

- to set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices;
- to provide a framework of accountability to guide the effective oversight of public resources in the reimbursement of expenses; and
- to set the parameters for the public disclosure of information about expenses.

APPLICATION AND SCOPE

This Policy sets out the rules for managing travel, meal, and hospitality expenses for Ross Memorial Hospital. It applies to all:

- board members;
- consultants and contractors engaged by the hospital;
- credentialed staff;
- hospital employees; and
- volunteers.

2.0 PRINCIPLES

- Hospital funds are used prudently and responsibly with a focus on accountability and transparency.
- Expenses for travel, meals and hospitality support hospital objectives.
- Plans for travel, meals, accommodation, and hospitality are necessary and economical with due regard for health and safety.
- Legitimate authorized expenses incurred during the course of hospital business are reimbursed.

3.0 MANDATORY REQUIREMENTS – GENERAL

- Written approval is required for the following before any arrangements are made.
 - International travel, and
 - Hospitality events involving alcohol.
- Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- Expenses for a group can only be claimed by the most senior person present – expenses cannot be claimed by an individual that are incurred by their approver (e.g. a Director cannot submit their Vice President’s claim for lunch even if they were at the same event).

- Information about expenses must be posted on the hospital's public website for the following:
 - designated senior managers; and
 - designated persons prescribed by regulation.
- Good record-keeping practices must be maintained for verification and audit purposes.

Claimants must:

- where required by Section 5.1, obtain all appropriate approvals before incurring expenses; if no prior approval was obtained, then a written explanation must be submitted with the claim;
- submit original, itemized receipts with all claims (credit card slips are not sufficient). If there is not an itemized receipt, a written explanation must be submitted to explain why the receipt is unavailable and a description itemizing and confirming the expenses must be provided;
- submit claims by the end of the quarter following the quarter in which the expense was incurred; a written explanation is required if not submitted within this timeframe;
- submit claims for expenses before leaving positions with the hospital.

Approvers must:

- provide approval only for expenses that were necessarily incurred in the performance of hospital business;
- provide approval only for claims that include all appropriate documentation (e.g., original itemized receipts);
- not approve their own expenses.

Note that should there be a situation where there is an overpayment to a claimant, it is considered a debt owing to the hospital and must be repaid.

4.0 ACCOUNTABILITY FRAMEWORK

This Policy sets out the approval authority for travel, meals, and hospitality expenses. In some cases, the level of approval is identified. In other cases, a requirement is stated (e.g. prior approval is required) without identifying an approval level.

The President and CEO has the authority to establish additional rules regarding expenses. Any additional rules must be consistent with those laid out in this Policy and be necessary to meet specific operational needs. These rules do not replace any rules in this Policy. Additional rules must include the date of approval and must be accessible to

everyone covered by the rules. In addition, the President and CEO may modify the level of approval upward to a more senior level when authority is assigned to a manager/supervisor or contract manager.

4.1 Managerial Discretion

Broader Public Sector Expense Directive

The Broader Public Sector Expenses Directive sets out guidance that seeks to enhance accountability for the utilization of public funds. This directive is based on four key principles.

- A. **Accountability:** Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.
- B. **Transparency:** Organizations are transparent to all stakeholders. The rules for incurring and reimbursing travel, meal and hospitality expenses are clear, easily understood, and available to the public.
- C. **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.
- D. **Fairness:** Legitimate authorized expenses incurred during the course of the business of an organization are reimbursed.

The respectful stewardship of Hospital assets is a mandatory requirement of all Hospital employees including Managers, Directors, Vice Presidents and the President and CEO.

Estimate of Total Cost is Required

Educational courses, technology or equipment exhibitions are legitimate events that can provide staff with the necessary information to improve patient care including information that may enhance overall Hospital operations. These events are associated with expenses including course or event registration, travel expenses, accommodation and meals.

To this end, any educational courses, technology or equipment exhibitions that require travel must have a **total cost estimated and approved** before RMH staff registers.

Approval Guideline for Managers, Vice Presidents and the President and CEO

The following guidance applies to Managers, Vice President and the President and CEO when considering approval of travel for the purposes of educational courses, technology or equipment exhibitions.

1. Wherever possible, external sources of funding for attendance at courses or exhibitions should be sought (e.g. Rotman Course for Health Care—66% paid by Rotman through receipt of a grant, 33% by RMH).
2. Where funding is available and the total cost of a course is:
 - a. less than \$500, approval by a Manager is required;
 - b. greater than \$500 and less than \$1000, approval by a Director is required;
 - c. greater than \$1000 and less than \$1500, approval by a Vice President is required
 - d. greater than \$1500, approval by the President and CEO is required.

The guidance in #1 and #2 above does not absolve staff from the guidance in the remainder of this document.

4.2 Public Disclosure of Expenses

Information about expenses must be posted on the hospital’s public website for the following:

- designated senior managers (Executive Team); and
- designated persons prescribed by regulation.

5.0 TRAVEL

This Policy applies whenever travel is required. For the purpose of this Policy, travel does not refer to a person’s regular commute to work – expenses related to a person’s regular commute are not reimbursable.

5.1 Prior Approval for Travel Plans

The following chart identifies the level for approval for travel for everyone covered by this Policy.

Prior Approval for Travel Plans

Level of Approval Required			
Position	Travel in Ontario	Travel in Canada & Continental USA	International Travel
Chair	No prior approval required	Board	Board
Board Member	No prior approval required	Chair	Board
President and CEO/ Chief of Staff	No prior approval required	Chair	Board Executive

Vice President	No prior approval required	President & CEO	President & CEO
Director/Manager/ Supervisor	No prior approval required	Vice President	President & CEO
Employee	Director/Manager/ Supervisor	Vice President	President & CEO
Credentialed Staff	Department Chief	Chief of Staff	President & CEO
Consultant	Contract Manager	Vice President	President & CEO

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.

A written request and approval must occur and should be included when the expenses are submitted.

5.2 Before Traveling

There is a process to follow for all people wishing to be reimbursed for travel expenses.

- Obtain prior approval where required under Section 5.1.
- If there is a change in your itinerary, you should report any changes to your approver as soon as possible.
- Secure passports, visas, immunizations, and medications as appropriate before you travel. Individuals are responsible for all costs associated with their travel documents.
- Consult with your approver to ensure that your travel arrangements include accommodation for any special needs.
- Participation in frequent flyer or other loyalty programs is permitted provided that you choose the most cost-effective accommodation or method of travel. Loyalty points can be redeemed at the user’s discretion; however, they cannot be redeemed for cash by using the points for business purposes and then submitting a claim for reimbursement.

Medical and Health Insurance

Eligible employees are covered under the Hospital’s health insurance plans in the event of illness or injury. The cost of additional private medical/health insurance will not be reimbursed. Other individuals should assess their coverage for medical and health insurance.

Travel Accident Insurance

Eligible employees have basic insurance for accidental injury or accidental death. Extra insurance may be arranged at the traveler's expense – it will not be reimbursed. Other individuals should assess their coverage for travel accident insurance.

5.3 Transportation – How to Get There

Airplane

Air travel is permitted if it is the most practical and economical way to travel. Economy (coach) class is the standard option for ticket purchase. Travel in business class must have prior approval by the President and CEO, and may be considered in the following circumstances:

- on international flights; or
- on flights within Canada and the continental United States of America if related to the provision of reasonable accommodation (e.g. health reasons).

Train

Travel by train is permitted when it is the most practical and economic way to travel. A coach class economy fare is the standard. Business class may be acceptable with prior approval in limited circumstances such as:

- the need to work with a team;
- choosing a travel time that allows you to reduce expenditures on meals or accommodation (e.g. compare an economy (coach) class ticket plus a meal, with the cost of a ticket for VIA 1, where the meal is included);
- accommodation requirements; and
- health and safety considerations.

International train travel should be at the Canadian equivalent to coach class.

Vehicle

Rental Vehicle

When renting a vehicle, a compact model or its equivalent is required. Consideration may be given to a car rental upgrade based on number of occupants and safety (including weather) considerations. Luxury and sports vehicles are prohibited. To avoid higher gasoline charges, refuel your rental car before returning it.

Collision damage waiver coverage and liability insurance offered by the car rental companies must be purchased. The insurance costs can be claimed as a travel expense.

Personal Vehicle

The hospital assumes no financial responsibility for personal vehicles. The hospital will, however, pay the kilometric rate if you are using your own vehicle for hospital business. If you use your personal vehicle while on hospital business, the following apply.

- The vehicle must be insured at the vehicle owner’s expense for personal motor vehicle liability.
- It is the driver/owner’s responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.
- The hospital will not reimburse the costs of insurance coverage for business use, physical damage, or liability.
- The hospital is not responsible for reimbursing deductible amounts related to insurance coverage.
- In the event of an accident, you will not be permitted to make a claim to the hospital for any resulting damages.

Reimbursement and Rates

When staff members use their own vehicles for hospital business, reimbursement will be in accordance with the approved kilometric allowance. This allowance is intended to represent reimbursement for the costs of fuel, depreciation, maintenance, and insurance. Kilometric allowances are to be calculated on the basis of the standard return kilometers shown below. Kilometers based on odometer readings will be used in those cases where a standard does not exist.

Standard return kilometers from Lindsay to:

Ajax	190	Barrie	232
Belleville	300	Bowmanville	135
Campbellford	215	COHPA	210
Cobourg	180	HHHS – Haliburton	200
HHHS – Minden	150	HHHS – RMH – Haliburton – Minden	220
Kingston	450	Markham	210
Newmarket	185	Ontario Hospital Association	290
Oshawa	160	Ottawa	650
Peterborough	100	Port Hope	160
Port Perry	100	Richmond Hill	210
Toronto	290	Uxbridge	130
Whitby	130		

If you travel more than 1,600 km/month on a regular basis, you should consider lower cost options, such as vehicle rental or audio or video conferencing. 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, with your approver, for you to continue using a personal vehicle, both your research and the rationale must be documented. If using a personal vehicle, keep daily logs to track the business use.

Parking and Tolls

Reimbursement is provided for necessary and reasonable expenditures on parking, as well as tolls for bridges, ferries, and highways when driving on hospital business. Parking costs incurred in the hospital area as part of a regular commute to work will not be reimbursed. There is no reimbursement for traffic or parking violations.

Taxis

Staff use of taxis should be reasonable. Original receipts must be attached to your claim.

5.4 Accommodation

In the normal conduct of business, reimbursement for overnight accommodation within the hospital area will be neither authorized nor approved. However, in emergency or highly unusual situations exceptions will be considered. Penalties incurred for non-cancellation of guaranteed hotel reservations are the claimant's responsibility and may be reimbursed only in an exceptional circumstance.

Itemized receipts are required. You will not be reimbursed for personal or recreational items (e.g. the toothbrush you forgot to bring from home, pay-per-view, or items from the mini-bar).

Tips/Gratuities

- You may be reimbursed for reasonable gratuities for restaurant meals, hotel room services, and taxis. Keep a record of gratuities paid.

Telecommunication

If you are away on hospital business, reimbursement will be made for:

- reasonable, necessary personal calls home for each night away; and
- additional business expenses, such as:
 - business calls;
 - emergency calls from air or rail phones;
 - internet connections and computer access charges;
 - word processing and photocopying services; and
 - rental and transportation of necessary office equipment

6.0 MEALS

Rules

Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. There are no exceptions to this rule.

You will be reimbursed for reasonable meal expenses, subject to approval by your immediate supervisor, provided the expenditure is incurred when you are at least 25 km away from your place of work on hospital business. In exceptional circumstances, you may also be reimbursed for reasonable meal expenses when you are required to work during or through normal meal periods.

Original, itemized receipts are required and reimbursement must not exceed the actual amount spent. Reimbursement is for restaurant/prepared food only. Reimbursement for groceries must have prior approval and a written rationale must be submitted with the claim. Reimbursement will not be provided for meals consumed at home or included in the cost of transportation, accommodation, seminars, or conferences.

If you are authorized to pay for meals consumed by others, your claim must include a brief explanation of the event and a list of those in attendance. Meal expenditures must always be paid by the senior staff member present.

7.0 HOSPITALITY

What is “hospitality” for the purpose of this Policy?

Hospitality is the provision of food, beverage, accommodation, transportation, or other amenities at hospital expense to persons who are not engaged in work for the hospital. For clarity, this section of the Policy does not apply to staff recognition events.

Rules

Hospitality may be extended in an economical and consistent manner when:

- it can facilitate hospital business; and
- it is considered desirable as a matter of courtesy or protocol.

Functions that are exceptions to the above must have prior approval of a member of the hospital’s senior administrative team. Where hospitality events are extended by the hospital, and where the guests include vendors (current or prospective), management is responsible for obtaining prior approval to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.

When hospitality is appropriate

Hospitality may be extended on behalf of the hospital when:

- engaging in recruitment activities for physicians and other priority positions.
- engaging physicians, volunteers, 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.
- providing persons from national, international, or charitable organizations with an understanding or appreciation of the hospital sector or the workings of the organization.
- honouring distinguished persons from the health care sector or volunteers in recognition of their public service;
- conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector.
- other hospitality functions as approved by the President and CEO, providing they conform to the rules listed in this section of the Policy.

Responsibilities regarding alcoholic beverages

- Prior written approval of a member of the hospital's senior administrative team is required.
- Reimbursement of alcohol expenses is allowed only when appropriate approvals are in place.
- Alcohol consumption should be limited to meals and receptions.

8.0 EXPENSES FOR CONSULTANTS AND OTHER CONTRACTORS

Consultants and other contractors will not be reimbursed for any hospitality, incidental, or food 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 hospital must strongly discourage the contractor from making a claim for such items.

Claims for Reimbursement of Expenses

Reimbursement for allowable expenses under this Policy can be claimed only when the contract with the hospital specifically allows for it.

9.0 DEFINITIONS

Approver refers to a person with authority to make approvals under this Policy.

Chair refers to the head of the Board of Governors of Ross Memorial Hospital.

Claimant refers to any person making a claim under the terms of this Policy.

Consultants and Contractors refers to individuals or entities under contract to the hospital providing consulting or other services.

Employee refers to a person employed by the hospital.

Hospital area refers to the area surrounding Ross Memorial Hospital, with a perimeter of 100km measured by the most direct, safe, and practical route by road.

Hospitality refers to the provision of food, beverage, accommodation, transportation, and other amenities at hospital expense to people who are not engaged in work for the hospital.

Itemized receipt refers to an original document identifying the vendor with the date and amount of each expense item paid by the claimant.

President and Chief Executive Officer (CEO) refers to the head of operations at Ross Memorial Hospital.

References:

Broader Public Sector Accountability Act, 2010

<http://www.health.gov.on.ca/en/common/legislation/bpsa/default.aspx>

Broader Public Sector Procurement Directive

<https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/EN/bps-procurementdirective>