

<b>LAKE OF THE WOODS DISTRICT HOSPITAL</b>	<b>DEPARTMENT  FINANCE</b>	<b>NUMBER</b>
<b>POLICY  EXPENSE REIMBURSEMENT POLICY AND PROCEDURE</b>		<b>DATE  REVISED: March 2011</b>

## **APPLICATION**

This policy applies to employees, board members, and other appointees while on Hospital business or on approved educational programs and/ or conferences.

## **PURPOSE**

- To provide direction related to the reimbursement of allowable expenses.
- To ensure that the use of the organization's financial resources are appropriate, authorized and to the benefit of the organization.
- To establish a framework of accountability and transparency to guide effective oversight of resources and reimbursements and comply with the legislated Expenses Directive issued as part of the Broader Public Sector (BPS) Accountability Act, 2010.

## **POLICY**

The Hospital will reimburse allowable expenses provided they are:

- Authorized
- Related to hospital business
- Modest, appropriate and reasonable
- Supported by original detailed receipts
- In accordance with this policy

All staff must receive prior approval from their Manager for all paid leaves of absence, whether for business meetings or education. The Manager must also authorize the subsequent reimbursement of allowable expenses as approved.

During this prior approval process, the arrangements, method of travel, out-of-pocket expenses, cost-sharing arrangements and any need for travel advances must be agreed upon and in consideration of the following principles:

- **Accountability** – Approvers are accountable for public funds used to reimburse travel, meal and hospitality expenses and are accountable for their decisions subject to good judgment, knowledge of the situation and compliance with the principals and mandatory requirements set out in this policy and expense rules.
- **Transparency** – The Hospital is transparent to all stakeholders, with rules that are clear, easily understood and available to the public and will comply with any mandated public disclosure requirements. Approvers will ensure that approved requests will stand up to auditor and public scrutiny with proper explanation and documentation.

• **Value for Money** – Taxpayer dollars are used prudently and responsibly, support Hospital objectives and have a sound business case. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety. Other options for meetings, including audio and video conferencing, are always considered prior to approving travel.

• **Fairness** – Legitimate authorized expenses incurred during the course of Hospital business are reimbursed and not in excess of amounts expended.

In some cases where the travel expense will be reimbursed by another organization, but the professional or educational development of the staff member will benefit the organization, the Manager may choose to authorize an advance and/or arrange airfare or other travel modes for the individual. The Manager must then take responsibility to ensure the advances are then repaid or accounted for in a timely manner.

### **Allowable Expenses**

Provided that there are appropriate budgeted funds available, allowable expenses are determined as follows:

- It is expected that travel will be by the most economic and practical means
- Where more than one person will be travelling to the same event, an attempt will be made to coordinate travel arrangements in order to minimize expenses
- Personnel who use their own vehicles will be reimbursed in accordance with the approved kilometer allowance (see Appendix A) if travel is required for hospital business at the request of the Hospital. If travel/education is at the request of the individual, they will be reimbursed a gasoline allowance in accordance with the prescribed rates (Appendix A).
- Cost of a rental vehicle in cases where this is the most economical and practical form of transportation, based on a automobile size range appropriate for the number of people travelling.
- Airfare at economy rates. Wherever possible travel arrangements will be made sufficiently in advance to take advantage of the most economical fares
- Cost of a standard hotel room, provided from the night before the seminar up to the last day of the seminar. Staff will normally be expected to return home on the evening of the final day of the seminar unless access to safe travel cannot reasonably be assured in that time period.
- Where weekend air travel discounts will benefit the organization, the employee has the option of taking advantage of it provided the additional meal and lodging expenses do not exceed the cost benefit.
- Parking
- Airport fees
- Public transportation costs such as subway or bus fares and taxi as necessary
- Reasonable conference or business meal expenses based on actual expenditures including reasonable tips (not to exceed 15%) and supported by original receipts. Staff should be prudent in their application of the policy and are subject to an approved daily limit as specified in Appendix A of this policy
- Groceries where staff is required to travel to and work in remote locations where restaurants are not available. Receipts are required.
- Reasonable telephone calls to conduct business, and calls home of a reasonable duration limited to one per day of travel.

- Other fees, such as registrations or texts as necessary given appropriate consideration of cost-sharing arrangements.

The following expenses are not eligible and will not be reimbursed:

- meals when consumed at home or meals when included in the cost of transportation, accommodation, seminars or conferences
- entertainment or personal expenses of any nature
- alcoholic beverages
- upgrades
- traffic or parking fines/violations
- excess baggage fees
- valet services
- laundry or dry cleaning
- pay TV/ movies
- gratuities not related to meals or transportation fares
- dependent care
- additional expenses related to travelling with a spouse or other guest – these must be paid directly by the employee

## **HOSPITALITY**

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

- Hospitality expenses are only reimbursable if a reasonable ratio of staff to persons who are not engaged in work for the organization is demonstrable.
- Hospitality expenses will only be extended in an economical, consistent and appropriate way when it will facilitate Hospital business or is considered desirable as a matter of courtesy
- Functions that are exceptions to the above must have prior approval of the CEO or the CEO's designate
- Where hospitality events are extended by the Hospital, and where the guests include current or prospective vendors, managers are responsible for obtaining prior approval to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.

Hospitality may only be extended on behalf of the Hospital when:

- Engaging 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 charitable organizations with an understanding and appreciation of the hospital sector or the workings of the organization
- Honouring distinguished persons from the health care sector in recognition of exceptional public service and
- Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector

### **Providing Alcohol**

Hospitality may include the provision of alcoholic beverages with a meal or during a reception. The decision to provide alcohol for a hospitality event must be authorized by the CEO or the CEO's designate. Alcohol should be provided in a responsible manner considering cost and amount.

A detailed receipt outlining the types of expenses as well as applicable taxes and gratuities is required with an expense claim for hospitality. The number and names of the participants must be noted on the receipt or in an attachment to the receipt.

With appropriate CEO and/or Board approval and sufficient budgeted funds, catering, including alcoholic beverages, may be provided at a Hospital wide event to honour employees, volunteers and/or medical staff or other special events. Appropriate measures must be taken prior to the event to ensure a reasonable limit is placed on the quantity and cost to be provided. The cost for alcoholic beverages or other expenses for such events must be paid for out of ancillary funding and not be funded out of public funds. Participant names are not required for a Hospital wide catered event.

Individual departments may wish to hold social events during the year with their staff. The costs of these events are to be borne solely by the staff and the activities will take place during a time so as not to disrupt the regular operations of the organization.

### **Acceptance of Hospitality**

Acceptance of hospitality from vendors may constitute a conflict of interest and may therefore be prohibited. Managers are responsible for ensuring that staff are aware of their conflict of interest obligations.

- Organizations will ensure that they avoid the appearance of impropriety or favouritism when accepting hospitality from vendors
- Staff attendance on behalf of an organization at various third party events (ie sporting events, entertainment, dinners) must not violate the Hospital's conflict of interest obligations, nor can such attendance be perceived to violate those obligations.

### **Approval authority**

Approvers are prohibited from approving their own expenses. If expenses are being claimed for a group, they must be claimed by the most senior person present. Expenses cannot be claimed by an employee or individual that are incurred by his/her designated approver.

### **Processing**

All requests for reimbursement must be submitted on the standardized reimbursement form, signed by the claimant and the authorized approver, clearly stating to whom the payment will be made and accompanied by the original detailed receipts identifying:

- the nature of the expense
- the date
- applicable taxes and gratuities.

In the rare case where this is not feasible a written explanation of the amount claimed should be provided for review and if approved for payment must be initialed by the appropriate level of signing authority prior to submission to the Finance Office. Credit or debit card slips are not acceptable receipts and do not provide sufficient documentation for expense reimbursement. The person approving the expense report is responsible to ensure all claims are correct, reasonable and in accordance with this policy, including all meal allowances and travel rates.

Expense reports must be submitted in a timely manner.

Any overpayments or unused advances must be promptly repaid.

If leaving the employment of the Hospital, any outstanding claims for expenses must be submitted by the employee before the date of termination of employment.

### **Subsequent Review**

The Finance department will review all expense claims for accuracy. The Manager of Finance/Health Records and/or designate may correct amounts due to minor discrepancies and/or addition errors. Where there are inconsistencies with policy the expense claim will be returned to the authorizing Manager for subsequent review and follow-up. Inconsistencies with policy and subsequent reviews will delay processing and reimbursement to the claimant.

### **Record Retention**

In accordance with the Hospital's retention policy all expense claims must be retained for a minimum of five years and made available for verification or audit purposes.

### **Consultants and Other Contractors Reimbursement for Allowable Expenses**

Consultants and other contractors can only be reimbursed for allowable expenses if such expenses are clearly specified within their written contract with the Hospital. The Policy for reimbursement of consultant expenses is not covered by this travel and expense process and is outlined in separate policies (Procurement Policies and Procedures and Hiring of Consultants.)

### **References:**

Ontario Hospital Association, Hospital Expense Policy Guidelines, March 2010

Organization Expense Policy Guidelines Broader Public Sector Expenses Directive – Management Board of Cabinet, Government of Ontario, Effective April 1, 2011

## TRAVEL REIMBURSEMENT RATES

Mileage rate \$.45 per kilometer  
(paid to employees who are required to travel for Hospital business)

Gasoline Allowance  
(for travel requested by employee)

From Kenora to destination and return as follows:

Winnipeg	\$ 90
Dryden	\$ 60
Red Lake	\$ 110
Thunder Bay	\$ 200
Fort Frances	\$ 90
Sioux Lookout	\$ 95

### **Meal Allotment (maximums)**

\$50.00 per day - NW Ontario and Winnipeg

\$75.00 per day - Large urban centres outside of NW Ontario and Winnipeg (eg. Toronto)

**Original receipts required** – credit card slips are not acceptable – must be itemized restaurant bill  
(provided upon request)

Tips and taxes included in above amounts.

Alcohol excluded.

### **Note:**

If meals are provided by the workshop, that amount will be deducted from daily meal allowance.