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| TITLE: | TRAVEL, MEAL, AND HOSPITALITY EXPENSES | MANUAL Human Resources |
| SUBMITTED BY: | Human Resources | EFFECTIVE DATE Nov 2023 |
| ENDORSED BY: | Director, Finance | REVISION DATE - |
| APPROVED BY: | Executive Director | LAST REVIEW DATE - |
| THIS DOCUMENT SUPERCEDES ALL PREVIOUS SUBJECT POLICIES AND PROCEDURES | | |

1 Policy

- 1.1 Participation House Markham recognizes that from time to time, employees may incur expenses related to business activities on behalf of the Agency that are outside of the normal purchasing procedure. This policy provides specific definitions and related limits for such purchases and outlines the boundaries for such expense reimbursements.
- 1.2 This policy applies to PHM employees, board members, and consultants and contractors engaged by PHM, providing consulting or other services.
- 1.3 This policy does not prevail any current Collective Agreement in place with the Agency.

2 Purpose

- 2.1 To set out rules and principles for the reimbursement and payment of travel, meal, and hospitality expenses to ensure fair and reasonable practices.
- 2.2 To provide a framework of accountability to guide the effective oversight of public resources for travel, meal, and hospitality expenses.
- 2.3 To set the parameters for the public disclosure of information about expenses.

3 Principles

- 3.1 Travel is approved only after other communications options are considered.
- 3.2 Taxpayer dollars are used prudently and responsibly with a focus on accountability and transparency.
- 3.3 Expenses for travel, meals, and hospitality support PHM objectives.
- 3.4 Plans for travel, meals, accommodation, and hospitality are necessary and economical with due regard for health and safety.
- 3.5 Legitimate authorized expenses incurred during PHM business are reimbursed.

3.6 Best practices are in place, including:

- Prior approval to incur expenses must be obtained. If no prior approval was obtained, then a documented explanation must be submitted with the claim.
- Other options for meetings must always be considered before travel is approved, including audio or video conferencing.
- Corporate credit cards are used for authorized business travel and business-related expenses.
- PHM's vendors of record for travel-related services are used whenever possible.

3.7 Accountability Framework

- Overall approval authority for travel, meals and hospitality expenses resides with the Executive Director or their delegated authority. Only the Executive Director may modify the level of approval upward to a more senior level when authority is assigned to a manager/supervisor.
- The Executive Director may delegate authority to the Director Finance (exception being for direct reports). 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.
- Managerial Discretion: Approvers are accountable for their decisions, which must be:
 - based on good judgment and knowledge of the situation
 - exercised in appropriate circumstances; and
 - compliant with the principles and mandatory requirements set out in this Policy.
- When a situation arises and discretion needs to be exercised, approvers should consider whether the request is:
 - able to stand up to scrutiny by the auditors and members of the public
 - properly explained and documented
 - fair and equitable
 - reasonable
 - appropriate

4 Procedure

4.1 General Guidelines

- Written approval is required for travel or hospitality events involving alcohol before any arrangements are made.
- Hospitality is provided only when the event involves people from outside PHM. Functions involving only people who work for PHM (all those covered by this Policy) are not considered hospitality functions.
- 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.
- Good record-keeping practices must be maintained for verification and audit purposes.

- Employees must submit itemized receipts with all expense claims; credit card slips alone are insufficient.
 - In the absence of an itemized receipt, a documented explanation of why the receipt is unavailable and a description itemizing and confirming the expenses must be provided.
- Expense claims must be monthly following the quarter in which the expense was incurred; if the expense is not submitted within the timeframe, a documented explanation is required.
- All expenses must be submitted prior to leaving employment with PHM.
- Note that an overpayment to an employee is considered to be a debt owing to the Agency and must be repaid.

4.1.1 For Approvers:

- Approval of expenses should only be for expenses that are incurred in the performance of PHM business.
- Approvals should only be provided for expenses that include all appropriate documentation (for example, itemized receipts).
- Managers cannot approve their own expenses.

4.1.2 Public Disclosure:

- Information about expenses that fall under this Policy must be posted on PHM's public website for the following:
 - Executive Director
 - Every member of senior management that reports directly to the Executive Director

4.2 Before Travel

- Before undertaking any travel for the Agency, the employee must obtain written (documented) authorization from the Executive Director or their delegated authority (including where expenses are covered by a third party).
- Approval levels are as follows:
 - Travel within Ontario – most senior staff member of the department
 - Travel within Canada or the U.S – Executive Director
 - In the event International Travel is required, PHM will comply with the requirements of the Broader Public Sector Expenses Directive.
- If there is a change in itinerary, employees should:
 - report any changes to the approver as soon as possible; and
 - submit any changes through the travel agency.
- If the employee is eligible to use a corporate credit card, use it wherever possible to pay for travel expenses.
- Secure travel documents, immunizations, and medications, as appropriate before travel.
- Inform the approver of any arrangements (for example, accessibility, health, etc.) required during travel.
- Participation in frequent flyer or other loyalty programs is permitted provided that the employee:
 - choose the most cost-effective accommodation or method of travel.
 - use the corporate travel agency to book the method of travel.
 - use the corporate credit card to pay for all travel expenses.

- 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 – Employees are covered under PHM's health insurance plan in the event of illness or injury. The cost of additional private medical/health insurance will not be reimbursed for travel within Canada. Please speak with Human Resources to assess coverage in Canada including reimbursement for out-of-country insurance and travel accident coverage. Employees may be responsible for arranging appropriate out-of-country medical insurance.

Passports, Visas, and Immunization

Secure passports, visas, immunizations, medications, as appropriate before travel. Employees may be reimbursed for:

- the cost of a passport if they are traveling to the United States.
- the cost of a passport and/or visa, plus the cost of immunizations and medications if necessary, for international travel.

4.3 Vehicle Transportation

When road transportation is the most practical, economical way to travel, the order of preference is:

- PHM owned vehicle (only if approved and required as part of the employee's position)
- Rental vehicle
- Personal vehicle if it is more economical than a rental vehicle.

PHM Vehicle

Government vehicles may be:

- used only for government business; and
- operated only by employees with a valid Ontario driver's license for the appropriate class of motor vehicle.
- Operated only by employees authorized by PHM.

Rental

When renting a vehicle, a compact model or its equivalent is required. Any exceptions must be:

- a) documented and approved prior to the rental if possible; and
- b) guided by the principle that the rental vehicle is the most economical and practical size, taking into account the business purpose, number of occupants and safety (including weather) considerations.

Luxury and sports vehicles are prohibited.

To avoid higher gasoline charges, refuel the rental car before returning it.

Personal Vehicle and Mileage Rates

Employees will be reimbursed for mileage based on the use of their personal vehicle for business travel at the rate of 0.60c per km.

Expense claims must be submitted with distances calculated in kilometers.

Mileage driven between home and the workplace are considered personal kilometers and not reimbursable. The Agency will use Google Maps as an auditing measure for calculation purposes, if required.

Employees are expected to carpool when more than one person is traveling to the same destination.

Reimbursement rates for personal vehicles driven outside Ontario will be at the rates for southern Ontario.

If the employee's role requires them to use their personal vehicle regularly for business related reason, the approver must decide 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 the approver, for the employee to continue using a personal vehicle, the research and the rationale must be documented.

If using a personal vehicle, daily logs must be kept to track the business use.

PHM assumes no financial responsibility for personal vehicles. It is the personal responsibility of the vehicle owner to carry adequate insurance coverage (at the vehicle owner's expense) for their protection and for the protection of any passengers. Employees must notify their insurance carrier that they are using their personal vehicle for business purposes on behalf of Participation House Markham to ensure that there is adequate insurance coverage. The additional cost for these premiums is not a reimbursable expense.

Other non-reimbursable auto expenses:

- All traffic and parking violations.
- All fuel and insurance related costs.
- Vehicle maintenance costs.
- Any fire, theft, physical damage, or liability including any claim for damages resulting from an accident.
- Any deductible amounts related to insurance coverage.

Accident Reporting

All accidents must be reported immediately to local law enforcement authorities and the employee's immediate supervisor. In addition:

- If the employee is using a PHM vehicle advise their manager.
- If the employee is using a rental vehicle advise the rental car agency and contact the corporate credit card insurance provider to initiate a claim.
- if the employees using a personal vehicle advised their own insurer

4.4 Parking and Tolls

Reasonable parking expenses for business related activities are eligible for reimbursement, as well as tolls for bridges, ferries, and highways, when driving on PHM business, and only when submitted with an accompanying original receipt on the appropriate expense reimbursement form.

Parking costs incurred in the office area as part of a regular commute to work will not be reimbursed.

There is no reimbursement for traffic or parking violations.

4.5 Taxis

Prior approval to use a taxi should be obtained whenever possible.

Taxis may be justified in cases where:

- group travel by cab is more economical than the total cost of having individuals travel separately by public transit or shuttle; or
- taking a cab allows you to meet an unusually tight schedule for meetings.

Taxis may not be used to commute to work or home except under exceptional circumstances, for instance:

- weather, health or safety conditions indicate it is the best, appropriate option; or
- transport of work-related baggage or parcels is required.

4.6 Public Transit

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

4.7 Airfare

Air travel is permitted if it is the most practical and economical way to travel. It is the intention of the Agency that employees travel in comfort; however, travel expenses should be in keeping with normal circumstances.

Before undertaking any air travel for the Agency, the employee must obtain written authorization from the Executive Director or their delegated authority.

Air transportation will be booked and paid for by Finance.

Economy (coach) class is the standard option for ticket purchase. Travel in business class must have prior approval by the Executive Director, 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).

4.8 Train / Bus

Travel by train or bus is permitted when it is the most practical and economical way to travel.

Fees for the purchase of train or bus tickets are eligible for reimbursement when submitted with an accompanying original receipt on the appropriate expense reimbursement form. Pre-approval by Management in writing is required.

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.
- health and safety considerations.

4.9 Accommodation

In the normal conduct of business, reimbursement for overnight accommodation within the office area will be neither authorized nor approved. However, in emergency or highly unusual situations exceptions will be considered. For example:

- Employees are required to remain close to the office for periods long in excess of their standard working hours.
- The employees services are deemed necessary (and approved accordingly) for the purposes of emergency or crisis management.

There will be no reimbursement for hotel suites, executive floors or concierge levels when traveling.

Reimbursement will be made for single accommodation in a standard room.

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 employee's responsibility and may be reimbursed only in an exceptional circumstance.

If employees choose to stay privately with friends or family, a cash payment or gift may be provided to the friends or family:

- A maximum of \$50 per night is allowed for accommodation including any meals with friends or family, in lieu of commercial accommodation. Instead of a receipt, the employee must submit a written explanation describing the purpose of the trip, identifying the host and the number of days stayed.
- The \$50 value may be given in the form of a small gift (which must be accompanied by a receipt) or by cash or cheque.

4.10 Meals

Employees travelling out of town or attending business related functions as approved by the Executive Director (e.g., conferences, seminars) will be provided with a meal allowance. Taxes and gratuities are included in the meal reimbursement rates. Receipts are not required to be submitted with meal expenses.

Meals must be purchased to be able to submit a claim for reimbursement. Alcohol cannot be claimed and will not be reimbursed.

In limited and exceptional circumstances (e.g., health considerations; limited options available) where a meal expense is higher than the meal reimbursement rate, the actual cost of the meal may be reimbursed. In these situations, the claim for meal reimbursement must be accompanied by an original itemized receipt and a written rationale for exceeding the rate. A credit card slip is not sufficient. Approval is subject to managerial discretion.

Where an employee pays the meal expenses for a group of employees, the employee may be reimbursed for the total of all meals purchased at the reimbursement rate for that meal. Group meal expenses can be claimed only:

- by the most senior employee present (an employee cannot claim the expenses that are incurred by their approver; and
- for individuals covered by this Policy.

Reimbursement is for restaurant/prepared food only. Reimbursement for groceries must have prior approval. A receipt and a written rationale must be submitted with the expense claim.

Reimbursement will not be provided for meals consumed at home or included in the cost of transportation, accommodation, seminars, or conferences.

Rates in Canada

Breakfast: \$ 23.00
Lunch: \$ 23.00
Dinner: \$ 50.00

A meal allowance total of \$96.00 daily will also be considered for flexibility. For meal rates outside of Canada, please seek information from the Director, Finance.

4.11 Tips/Gratuities

Employees may be reimbursed for reasonable gratuities for porter, hotel room services, and taxis. Keep a record of gratuities paid. Examples of reasonable amounts for gratuities include:

- 10% on a taxi fare
- \$2-\$5 for housekeeping for up to two nights in a hotel, up to \$10 for a longer stay
- \$2-\$5 per bag for a porter

4.12 Telecommunication

Employees with company-issued cell phones are approved to use their device when travelling. Prior to travel, the employee must speak with the Manager to determine what is covered in the cell/mobile phone plan and how PHM will handle long distance or roaming charges.

Wherever possible, employees are expected to use the least expensive means of communication, such as:

- calling cards; and
- internet access.

Whenever possible use audio or video conferencing, as an alternative to travel.

If an employee is away on PHM business, reimbursement will 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
 - facsimile transmissions
 - word processing and photocopying services
 - rental and transportation of necessary office equipment

4.13 Other Reimbursements

Other expenses such as dependent care and home management may be reimbursed if the travel requirements of the job or personal circumstances change unexpectedly. In such cases, PHM will always defer to the Broader Public Sector Expenses Directive.

4.14 The following expenses during travel are non-reimbursable:

- Entertainment costs.
- Alcohol/bar bills.
- Tobacco-related products.
- Personal items (e.g., toiletries)
- Dry cleaning/Laundry (unless business travel is five consecutive days or more, reasonable limits will be allowed).

4.15 Hospitality

Hospitality is the provision of food, beverage, accommodation, transportation, and other amenities at public expense to people who are not engaged in work for PHM. Functions involving only people who work for PHM are not considered hospitality functions and cannot be reimbursed (e.g., office social events, retirement parties and holiday lunches).

At all times, the Broader Public Sector Expenses Directive will be reviewed by the Executive Director to ensure appropriate approvals are obtained and eligible expenses are incurred.

4.16 Expenses for Consultants/Contractors

Consultants and other contractors will not be reimbursed for any hospitality, incidental or food expenses.

4.17 Process for Reimbursement

A) Employee:

- Employees must complete the expense form in its entirety and all itemized related receipts must be attached.
- Employees are to forward the authorized form to their direct Manager for approval.

B) Manager:

- Review and approve by indicating in writing “approved” and submit it to the Executive Director or Director Finance.

C) Executive Director or Director Finance:

- Authorize expense for payment.

4.18 Proof of Purchase/Receipt requirements

Original detailed receipts must be provided by the employee and kept on file with the related expense report. It is a good practice that the receipt in which you place your signature is also provided (if available). However, the signature receipt, by itself, is not sufficient support. Any purchase or charge, which is not supported by a valid, detailed receipt, may be declined for payment by Participation House Markham.

4.19 Cash Advances

Participation House Markham does not grant cash advances.