



BUSINESS AND TRAVEL EXPENSES

Manual/Section: Finance

Policy No. 55

Key Words: Travel, Reimbursement of Expenses

1. PURPOSE:

The general intention of the hospital's policy is to reimburse staff for reasonable and actual expenses incurred by them when on hospital business. The underlying principles of the Business and Travel Expenses policy are:

- a) **Accountability:** The Hospital is accountable for the public funds used to reimburse business, travel, meals and hospitality expenses. All expenses support business objectives.
- b) **Transparency:** The Hospital is transparent to its stakeholders. The rules for incurring and reimbursing business, 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 business, 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 business of the Hospital are reimbursed.

The policy is governed by the Broader Public Sector (BPS) Expenses Directive and the BPS Accountability Act

2. POLICY:

Travel plans and estimated expenses must be pre-approved.

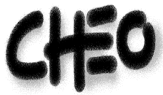
Travel expenses will be reimbursed according to the prescribed guidelines provided they are supported with original receipts (not photocopies) and/or documentation. However photocopies could be justified when part or all of the travel is reimbursed by a third party organization and a claim is submitted to both.

Credit card receipts by themselves are not sufficient to corroborate the expense and allow for appropriate HST allocation and rebate calculations.

Advances for costs related to travel or associated business expenses will only be made under extenuating circumstances and with approval of the CFO. Accordingly, staff is encouraged to make arrangement to pre-pay travel, registration and accommodation costs, when applicable, prior to the event. To this end, travel arrangements should normally be made through the designated Corporate Travel Agency. (see Appendix "A") since their representatives have been instructed to provide services consistent with the hospital's travel policies.

Pre-payments can also be accommodated through the use of CHEO corporate credit cards.

No advances will be made for the costs of airfare/registrations etc. when the staff member has opted to book travel either through an agency other



than the Corporate Travel Agent or directly online and fails to use a hospital corporate credit card where appropriate (see Appendix A).

Staff may accumulate and retain points with loyalty programs in as much as they are earned according to the guidelines set in this policy.

3. SCOPE:

This policy applies to all staff of the hospital travelling on hospital business and to all CHEO funded programs, CHEORI and fund types (i.e. Trust Funds, Foundation Funds). However, rules governing hospitality and alcohol expense do not apply to hospital trust funds and CHEO Foundation designated funds which sources of funds are not public.

4. DEFINITIONS:

Authorization: The approval of an expense reimbursement and business travel claim by the appropriate person with adequate signing authority. Generally, authorization requires the immediate supervisor's approval as long as the expense claim amount is within their authorization limit.

Business Expenses: Reasonable expenses incurred by staff in the course of performing their duties.

Business Travel: Travel required for hospital business and authorized by the appropriate level of authority.

Hospitality: The provision of food, beverage, accommodation, transportation and other amenities in the course of a social/entertaining event (lunch/dinner/reception) paid out of public funds to people who are not engaged to work for:

- designated BPS organizations
- any of the Ontario Government ministries, agencies and public entities

Consultants: Persons providing services to the hospital on an independent contractor basis, and who are not employees of the hospital. For greater clarity, consultants are not to be considered "staff".

Office: The hospital-related regular place of work.

Personal Vehicle: A vehicle owned, borrowed or rented/leased personally by a member of staff.

Receipt: An original document, or carbon or certified copy, with the details of the expenditure, the amount, taxes, tip, the date and indicating proof of payment.

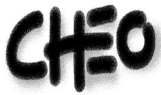
Staff: Staff includes all hospital employees, credentialed staff, volunteers, faculty, Board of Trustees, outsourced services staff and other individuals engaged in hospital business and who intend to receive travel and expenses reimbursement under this policy.

5. GUIDELINES

Transportation

Reimbursable travel costs include air, rail, bus, car (either personally owned or rented) and taxis.

The mode of transportation chosen should be the one that enables the member to attend to hospital business with the least cost to the hospital,



consistent with the least amount of interruption to the member's regular business and personal schedules and the most productive use of his/her time. Due consideration should be taken as to the length of time away from the workplace.

Basic economy fares will be paid by the hospital. Any upgrade is the responsibility of the staff member.

Train and/or bus travel should be considered as alternatives to air travel when circumstances permit. Within the Montreal/Ottawa/Toronto/Windsor corridor, business class rail travel will be approved when hospital business is undertaken during travel time with prior-approval.

Air travel reservations should normally be made through the corporate travel agency, especially for complex and international travel plans, by telephone or fax. The employee's department name must be given to the agent in order to assist in the agency's reporting to the hospital. If pre-booked travel arrangements are not used, it is the responsibility of the traveller to cancel and obtain a confirmation number and name. Cancellation insurance is an unnecessary expense unless a non-refundable ticket is purchased. A credit will be given for unused tickets immediately returned. Supplementary life insurance, accidental death & dismemberment, flight and baggage are automatically provided with the tickets purchased through our corporate travel agency and charged to CHEO's travel credit card.

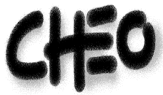
Booking directly online with carriers or online agencies is allowed when proven to be more economical. However due consideration must be given to the comprehensive services provided by the corporate travel agency (air, accommodation, car rental) and other benefits such as securing flight cancellation credits, supplementary insurance, accommodation and car rentals.

Car rentals should be used only when justified by cost and convenience. Compact or mid-size vehicle will be paid by the hospital. The corporate travel agency has negotiated rates with car rental companies and can also verify special promotions with other car rental agencies. The corporate agency cannot pre-pay a car rental.

A car rental collision, loss and damage insurance waiver (CDW) is provided for by the hospital's non-owned automobile insurance coverage. Hence, there is no need to acquire supplemental CDW insurance offered by the car rental companies. However, the coverage is only for damage to vehicles and does not cover liability responsibility.

With the introduction of Bill 18 on automobile insurance in 2010, staff's personal automobile insurance now serves as primary coverage for liability. The hospital's insurance will cover any excess to the staff's primary coverage amount up to \$20M. Staff not comfortable with this responsibility should not hesitate to buy supplemental liability insurance from the rental company if made available/offered.

The use of **Personal vehicles** on hospital business must be in accordance with the hospital policy # 170 "Use of Personal Vehicle for



CHEO Business Policy”. If a staff member's own car is used, the applicable hospital rate per kilometre is reimbursed. The reimbursement rate is meant to compensate for all of the costs associated with use of the personal automobile including fuel, normal wear and tear, insurance, license fees, etc.

Parking lot charges and applicable bridge or highway tolls will be paid by the hospital and receipts must be submitted with the expense report. Gasoline purchase is reimbursed only for rental cars since it is included in the hospital rate when personal automobile is used.

The use of **Taxis** should be appropriate. For travel within Ottawa, staff is encouraged to use the hospital taxi chit program with its contracted provider. Appropriate use of taxis includes:

- 1) transportation between stations or airport and destination
- 2) transportation from the hospital to home well after normal work hours where other form of transportation are unavailable or are determined to be unreasonable
- 3) transportation home from an event supporting hospital business
- 4) in other circumstances, at the discretion of the authorizing manager/director

Travel Accident Insurance Coverage

Travel accident insurance coverage is provided by the Hospital for all employees, Board members and volunteers, who travel on hospital business.

Travel accident insurance provides a payment of a principal sum of \$100,000 for accidental death, dismemberment and loss of sight. Coverage begins at the actual start of the business trip whether it is from the insured person's place of employment or home; coverage terminates upon the insured person's return to his place of employment or home, whichever shall first occur.

Injuries occurring during the course of everyday travel to and from work are not covered by the policy.

Accommodation

The corporate travel agency will offer hotels with available corporate rates, however staff is encourage to ask for “Best of Day” rates has these tend to have a better discount. However, in doing so, staff should ensure that Best of Day” rates can still be cancelled upon reasonable notice period. Staff are required to use most economical accommodations except in the following circumstances:

- the traveller is staying at the exact site of the conference, meeting or seminar
- the accommodation cost is less than that arranged by our corporate travel agency (they should be advised of this)
- the accommodation is an unreasonable distance from the business site

Long-distance business and personal calls will be reimbursed; however frequency and length of calls should be reasonable.



When related to hospital business, additional expenses such as internet connection/computer access charges, photocopying, facsimile transmissions will also be reimbursed.

A complete detailed copy of the hotel bill must be attached to the expense report.

Staff staying with a relative or friend will be entitled to a daily allowance of \$25.00.

Alcohol

Costs incurred for alcoholic beverages generally should not be reimbursed, particularly during normal working hours. However, under certain circumstances such as special events, hospitality or meals (business and/or travel after working hours), alcohol may be approved, with discretion, by the authorizing vice-president/CEO/Board Chair.

When such approval is issued, the authorizing individual should consider appropriate limits on the consumption and the amount reimbursed for alcohol related expenses.

Meals and Other Expenses

Many conferences and meetings include some or all of the meals as part of the registration fee; in those cases, we expect that any claim for reimbursement will take into account the meals that have been provided without charge.

CHEO will reimburse all reasonable **receipted** meal costs up to a daily maximum of \$65.00 Cdn (\$US if outside Canada) as follows:

- 1) Breakfast: \$20.00
- 2) Lunch: \$15.00
- 3) Dinner: \$30.00

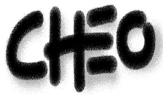
City location and venue could warrant an increase to this maximum as approved by the director/vice-president/CEO on the Payment Requisition.

When a staff member is authorized to pay meals of other staff, expense reports must include a brief explanation of the event and a list of the individuals in attendance. The most senior ranking member of staff should assume payment for the meal expenditure.

Under certain circumstance, staff may choose to have an alcoholic beverage with their meal after work hours, the cost of which should fall within the per diem allowance. Approval will be in accordance with the hospital guideline and at the discretion of the authorizing director/vice-president/CEO.

Business Meeting Expenses

Bona fide business meeting expenses are reimbursable. These expenses will be incurred and authorized only by senior management and Board Chair or delegate. Business meeting expenses can be incurred within or outside the hospital premise. They include but are not limited to business meeting meals (breakfast, lunch and dinner), strategic planning



retreats at all levels of the organization or the conduct of other important subject specific corporate meetings. Business meeting expenses can include hospital staff and staff from other Ontario designated BPS organizations or staff from other Ontario government ministries.

Business meeting expenses should be extended in an economical, consistent and appropriate way. Alcohol may be approved, with discretion, by the authorizing vice-president/CEO/Board Chair. When alcohol is provided, appropriate measures should be taken to ensure a reasonable limit is placed on the quantity.

Receipts for reimbursement of business meal meetings should detail the purpose of the meeting and names of business associates at the meeting.

Hospitality

Generally, hospitality (an entertainment /social event) expense will be incurred and authorized only by senior management and directors.

Hospitality expenses will not be reimbursed when incurred solely for the benefit of hospital staff or staff from other Ontario designated BPS organizations or staff from Ontario government ministries, agencies and public entities covered by the Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive.

Hospitality should be extended in an economical, consistent and appropriate way when it will facilitate hospital business or is considered desirable as a matter of courtesy or reciprocity.

There are no exceptions to the above guidelines.

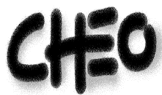
Where hospitality events are extended by the hospital, and where the guests include vendors (current or prospective), directors/vice-presidents are responsible for obtaining prior approval to ensure that the event does not give, or is perceived to give, preferential treatment to any vendor.

The decision to provide alcohol as part of the hospitality should be made by the CEO and/or vice-presidents and should be consistent with the principles of this policy.

In circumstances where alcohol is approved, appropriate measures should be taken to ensure a reasonable limit is placed on the quantity and cost in advance of the event.

Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest; accordingly sound judgment must be exercised by staff members. Hospital management is responsible for ensuring staff is aware of hospital rules of conduct and conflict of interest obligations.

Consultants may receive hospitality or take part in hospitality events as long as it is consistent with the principle of this policy.



Non-Reimbursable Expenses

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

- expenses resulting from unlawful conduct
- traffic and parking violations incurred while driving on hospital business
- recreational expenses while travelling such as video rentals, movies, mini-bars, hotel fitness facilities charges, entertainment not directly related to hospital business, etc
- personal items not required to conduct hospital business
- membership fees to reward programs or clubs
- social events that do not constitute hospitality as defined in this policy
- expenses incurred due to the presence of friends or family members, unless part of hospitality as defined in this policy
- transportation and/or hotel expenses incurred because of failure to cancel reservation
- credit card fees and late payment charges
- additional ancillary charges such as premiums for failure to refill fuel in rental car

6. RESPONSIBILITY:

It is the responsibility of all staff, managers, directors, vice-presidents and CEO to ensure that guidelines are adhered to and that appropriate authority has been secured for all activities covered under this policy.

7. PROCEDURE:

Travel Approval

All travel must receive prior authorization by completing the "Travel Approval Application" (posted on CHEOnet) and having it signed by the proper authority as described below:

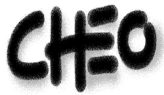
- a) The Director recommends approval for those staff within his/her area of responsibility providing that there is sufficient provision within the operating budget or from other funds to cover the estimated cost.
- b) The respective Vice-President reviews the recommendations from the Director and provides final authorization.

Expense Report

An expense claim for business and travel expenses must be submitted as soon as possible following the trip or incurrence of the expense (within ten working days to meet month end accounting cut-off) by completing the "Payment Requisition" form (posted on CHEOnet). All original receipts must be provided for reimbursable expense including receipts in support for the per diem meal allowance.

7. CROSS- REFERENCES:

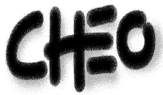
Authorization and Approvals Policy # 54
Payment Requisitions Policy # 57
Conflict of Interest Policy # 106
Ethical Code of Conduct & Reporting Policy # 135



Use of Personal Vehicle for CHEO Business Policy # 170

8. REFERENCES:

Broader Public Sector Expenses Directive – April, 2011
OHA – Hospital Expense Policy Guidelines – March 2010
Management Board of Cabinet (MBC) Travel, Meal and Hospitality Expenses Directive – April, 2010



APPENDIX A

The Children's Hospital of Eastern Ontario corporate travel agency is:

World Wide Travel One Agency Group
Corporate Reservations
800-263-2482 or 905-688-1400
E-mail rebecca@worldwidetravelone.com
Susan@worldwidetravelone.com

1. Use of the corporate travel agency is encouraged for all hospital based travel costs
2. A corporate credit card is used at the agency so the airline/rail ticketing costs will be charged to CHEO directly
3. The use of a "loyalty program" personal credit card to secure the points is acceptable. When completing the profile form with World Wide Travel One, indicate the credit card number at that time
4. Membership in airline reward programs (Air Canada Aeroplan for example) should be noted in the travel profile to automatically earn the rewards points.
5. The hospital purchasing card can be used for airline or rail ticketing though it doesn't have the supplemental insurance coverage provided by the Travel Credit Card used by the Agency
6. The corporate credit card at World Wide Travel One or the hospital purchasing cards cannot be used for the booking of spousal travel or for personal non business travel
7. Travel advances will not be issued for the costs of air/rail travel
8. Reimbursement to employees choosing to use their own personal credit card for travel arrangements will be made after the travel is completed and an expense report is filed.