

BUSINESS AND TRAVEL EXPENSES

Manual/Section: Finance

Policy No. 55

Key Words: Travel, Reimbursement of Expenses

1. PURPOSE:

To reimburse staff for reasonable actual expenses incurred 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.

2. POLICY:

The policy is subject to the Broader Public Sector (BPS) Expenses Directive and the BPS Accountability Act.

Written pre- approval is required for business travel outside the City of Ottawa before any arrangements are made:

- All travel plans **and** the estimated expenses to be incurred
- Hospitality events involving alcohol

Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.

Hospitality is provided only when the event involves people from outside the hospital, Broader Public Sector (BPS) or any of the Ontario Government ministries, agencies and public entities

Travel expenses will be reimbursed according to the prescribed guidelines and procedures 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 verify the expense and allow for appropriate Harmonized Sales Tax (HST) allocation and rebate calculations.

Staff are encouraged to **pre-pay** travel and registration costs, when applicable, prior to the event or travel. To pre-pay, staff can make travel



arrangements through the designated Corporate Travel Agency outlined in Appendix A of this policy or through the use of a Children's Hospital of Eastern Ontario (CHEO) corporate credit card.

Advances for costs related to travel or associated business expenses will only be made under extenuating circumstances and with approval of the Chief Financial Officer (CFO). No advances will be made for travel costs when staff have opted to book travel independently and did not utilize the corporate travel agency or a corporate credit card. Reimbursement will only be made upon completion of the required Hospital forms.

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, non-physician owned trust funds and Foundation funds.

Rules governing hospitality and alcohol expense do not apply to hospital trust funds, CHEO RI 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.

Consultants: Person(s) providing expert or strategic advice that is presented for consideration and decision-making in such areas as management, information technology, technical activities, research and development, policy and communications. Consultants are considered independent contractors and are not employees of the hospital.

Consultants or other contractors will not be reimbursed for any hospitality, incidental or food expenses including:

- Meals snacks and beverages
- Gratuities
- Laundry or dry cleaning
- Dependant care
- Home management
- Personal telephone calls
- Valet services



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

Note: Internal staff events are not considered hospitality functions for the purposes of the BPS directives. CHEO will continue to support employee, volunteer and Board recognition events, retirement events, in-house meetings, corporate orientation and any other like events pre-approved by the VP or CEO.

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. ALLOWABLE TRAVEL EXPENSES:

a) 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 upgrades are the responsibility of the staff member.

i) Train and/or bus Travel by train and/or bus are permitted when it is the most practical and economical 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
- Accommodation requirements; and
- Health and safety considerations.

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

(ii) Air travel reservations should be made through the corporate travel agency particularly for complex and international travel plans. The staff's department name must be given to the agent in order to assist in the agency's reporting to the hospital. The corporate travel agent will also require a PDF/faxed copy of the signed travel approval form prior to finalizing the travel arrangements. 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. Supplementary life insurance, accidental death & dismemberment, flight and baggage insurance 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.

(iii) Car rentals should be used only when justified by cost and convenience. Compact or equivalent vehicle will be paid by the hospital. Prior approval must be given when exceptions are made to accommodate # of occupants or safety considerations. To avoid high gas charges, refuel rental cars before returning them. Luxury and sports vehicles are prohibited. 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. If staff member does not own a car and does not have automobile insurance then liability insurance from the rental company should be purchased.

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



CHEO Business Policy”. The hospital assumes no financial responsibility for personal vehicles. 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. It is the driver/owner's responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.

(v) 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.

(vi) The use of Taxis should be appropriate. For travel within Ottawa, staff are 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

b) 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.

c) Medical and Health Insurance Coverage

Full time employees with extended health benefits will have medical coverage under their plan.

Part time employees or employees who have opted to not carry CHEO insurance will not be covered by CHEO and need to make arrangements for out of province or out of country medical insurance.

The cost of additional private medical/health insurance will not be reimbursed for travel within Canada.

When travelling outside of Canada full time staff members are covered by the CHEO out of country medical insurance. Part time employees will be responsible for arranging appropriate out-of-country medical insurance



through a provider of their choice or through CHEO's employee benefit provider. CHEO will reimburse up to \$3 per day for costs incurred by staff subject to submission of actual receipts.

d) 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

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

Penalties incurred for non-cancellation of guaranteed hotel reservations are the claimant's responsibility and may be reimbursed only in an exceptional circumstance.

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

e) Telecommunications

Where possible, staff are expected to use the least expensive means of communications, such as calling cards. With prior approval you may use your Blackberry or hospital cell phone for business purposes when travelling. Speak with your manager/director to determine what is covered in your Blackberry or cell plan and how to handle long distance roaming charges

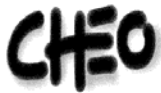
If you are away on hospital business reimbursement will be made for

- 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 and facsimile transmissions.

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

f) Alcohol

Costs incurred for alcoholic beverages will not be reimbursed.



Under certain circumstances such as special events or hospitality, alcohol may be allowed, with discretion and with prior written approval by the CEO or Board Chair as appropriate.

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

g) Meals and Other Expenses

Many conferences and meetings include some or all of the meals as part of the registration fee; in those cases, claims for reimbursement cannot be made for 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) including taxes and gratuities (\$US if outside Canada) as follows:

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

The rates are not an allowance. They are for individual meals that must have a detailed receipt of the expense to be able to submit a claim for reimbursement.

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.

h) 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 meetings do not include office social events, retirement parties and holiday lunches.

Business meeting expenses should be extended in an economical, consistent and appropriate way. Alcohol will not be reimbursed

Receipts for reimbursement of business meal meetings need to include the purpose of the meeting and names of business associates/organizations at the meeting.



i) Hospitality

Written approval is required before any arrangements are made for hospitality events involving alcohol. 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.

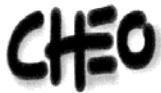
Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest; accordingly sound judgment must be exercised by staff members. Hospital management is responsible for ensuring staff is aware of hospital rules of conduct and conflict of interest obligations.

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

j) 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 to ensure that procedures are followed and that appropriate authority has been secured for all activities covered under this policy.

a) Every staff traveling on Hospital business will:

- obtain prior written approval by completing the “Travel Approval Application” (posted on CHEOnet) and having it signed by the proper budget authority and respective Senior Officer of the Hospital.
- represent the Hospital in a professional manner at all times
- follow Hospital procedure and guidelines for expenses
- ensure that all expenditures are supported by original receipts. Credit care slips are not acceptable.
- ensure expenses incurred on Hospital travel are consistent with normal business standards.
- whenever possible use the CHEO corporate travel agency (See Appendix A) and/or CHEO credit card

b) The Senior Officer will:

- review and authorize the Travel Approval Application form prior to travel.
- ensure sufficient budget or funds are available to cover such expenses
- authorize final claim expenses and submit to Finance department for processing

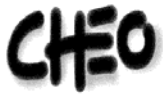
c) The Finance Department will:

- ensure travel expenses are properly authorized and are in compliance with this policy and authorization limits.
- process travel reimbursements in a timely manner
- where an individual claimed expenses for a group, ensure the claim was submitted by the most Senior person present (ie. a Manager cannot submit his/her Director’s claim for lunch even if they were at the same event)

7. PROCEDURE:

Expense Report

An expense claim for business and travel expenses must be submitted within ten (10) business days following the trip or incurrence of the expense by completing the “Payment Requisition” form (posted on CHEOnet). The expense claim should be reflective of all costs incurred including any prepaid costs, advances, travel arrangements made through the Corporate Travel agency and any costs processed through the corporate credit card. All **original** receipts must be provided for



reimbursable expenses including detailed receipts in support of meal expenditures. Expense claims not submitted within a reasonable time (30 days) of the actual travel occurrence will be subject to having a “stop sell” with the corporate travel agency and cancellation of their corporate credit card, without notice.

7. CROSS- REFERENCES: CHEO, Authorization and Approvals Policy # 54
CHEO, Payment Requisitions Policy # 57
CHEO, Conflict of Interest Policy # 106
CHEO, Ethical Code of Conduct & Reporting Policy # 135
CHEO, CHEO Vehicle Policy # 170
<http://www.viarail.ca/corpo/medbuy>.

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

9 ATTACHMENTS: Appendix A: **World Wide Travel One Agency Group**

10 DEVELOPED BY: Executive Team



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.