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**Document Type:** Policy and Procedure  
**Scope of Document:** Organization Wide  
**Review Date (s):** 07/1987R, 01/1990r, 10/1995R, 04/2011R  
03/2014R

**Document Number:** 1-30-030  
**Effective Date:** 11/1985

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### **A. Purpose**

The purpose of this policy and procedure is to establish expense rules where expenses are reimbursed from public funds, transferred to JBH from its various funding agencies.

This policy replaces Admin Policy 3-30 Reimbursement of Employee Expenses.

### **B. Policy Statement(s)**

N/A

#### **i. Contraindications/Exclusions and Important Points:**

This policy includes the requirements that are set out in the Broader Public Sector (BPS) Expenses Directive.

They are:

1. An accountability framework.
2. Prohibition on reimbursement of meal and hospitality expenses for consultants and other contractors.
3. Rules specific to reimbursement of alcohol.
4. Rules for hospitality events where hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:
  - Designated BPS organizations (i.e. those covered by the directive), or
  - Any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospital Expenses Directive.
5. Good record keeping practices.
6. Rules for individual making claims.
7. Rules for individuals approving claims.
8. Posting the rules on the organization's public website (Section 3.1)

**ii. Responsible Team or Care Area:**

This policy also includes rules related to Staff, Physician and Volunteer (including Board and Board Committee) events.

**iii. Supplies and Equipment:**

N/A

**C. Policy Content****TABLE OF CONTENTS**

1. Purpose, Application and Scope
2. Principles
3. Accountability Framework
4. Travel
5. Accommodation
6. Meals
7. Alcohol
8. Hospitality
9. Expenses for Consultants and Other Contractors
10. Staff, Physician and Volunteer (Including Board and Board Committees)

**POLICY STATEMENT/ INTRODUCTION:**

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7. Rules for individuals approving claims.
8. Posting the rules on the organization's public website (Section 3.1)

## **1. PURPOSE, APPLICATION AND SCOPE**

### **1.1 Purpose**

The purpose of these policies and procedures is to establish expense rules where expenses are reimbursed from public funds, transferred to JBH from its various funding agencies. JBH is committed to strengthening its accountability to its stakeholders.

Although funds not received (e.g. parking fees, cafeteria income) from an Ontario government ministry or other “public body” are not covered by this policy nor the BPS Expense Directive, it is the intent that, if these revenue sources are used to fund travel, meal or hospitality expenses, the spirit of this policy will prevail.

### **1.2 Application**

These expense rules apply to any person in the organization making an expense claim, including the following:

- Employees
- Physicians, dentists and other professional staff
- Volunteers
- Board members
- Consultants or contractors

### **1.3 Scope**

These policies and procedures, which are effective April 1, 2011, cover the following types of expenditures:

- Travel
- Accommodation
- Meals
- Alcohol
- Hospitality (as defined)
- Gifts
- Expenses for consultants and other contractors
- Staff, physicians and volunteer events (including Board and Board committees).

## **2. PRINCIPLES**

These policies and procedures are based on five key principles as follows:

### **2.1 Accountability**

JBH is accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses must support business objectives.

### **2.2 Transparency**

JBH aims to be transparent to all stakeholders. The rules for incurring and reimbursing travel, meal and hospitality expenses are clear, easily understood, and available to the public.

### **2.3 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.

### **2.4 Fairness**

Legitimate authorized expenses incurred during the course of the business of JBH are reimbursed.

### **2.5 Managerial Discretion**

For the purpose of these policies and procedures, managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with these policies and procedures. All decisions made under the expense rules should be taken very carefully.

When exercising managerial discretion, the rules on documentation should be followed so the rationale will be included in the claim file.

Approvers are accountable for their decisions, which should be:

- Subject to good judgement and knowledge of the situation;
- Exercised in appropriate circumstances; and
- Comply with the principles and mandatory requirements set out herein.

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

It is the responsibility of both the approver and the claimant to work out appropriate arrangements which would meet the test of being fair and equitable.

## **3. ACCOUNTABILITY FRAMEWORK**

### **3.1 General**

Expenses must be approved in writing by the person to whom the claimant reports (or by any more senior position if this person is not available) by completion of the prescribed hospital forms.

This policy will be posted on the JBH website.

### **3.2 Individuals Making Claims (Claimants)**

#### **3.2.1 Claimants are required to:**

- Obtain all appropriate approvals before incurring expenses.
- Submit original, itemized receipts with all claims (e.g. not just a Visa "total" receipt; details are required).

- Submit claims on prescribed forms and sign the prescribed form prior to further approval. (Refer to electronic expenses forms)
- Submit claims within 30 days of incurring the expense.
- If the information above is not available, submit a written explanation with the claim to provide the approver with adequate information for decision-making.
- Repay any overpayments – it is considered a debt owing to JBH.
- If leaving employment with JBH, submit any claims for expenses before leaving.
- Document the business nature of the claim and those in attendance.
- Deduct travel advances against the claim.

3.2.2 Expenses of a personal nature will not be reimbursed. Such expenses include but are not limited to expenses for:

- Costs resulting from unlawful conduct.
- Traffic and parking violations incurred while driving on JBH business.
- Recreational purposes (e.g. video rentals, mini-bars, special facilities charges, entertainment not directly related to JBH business, etc.)
- Personal items not required to conduct JBH business
- Memberships to reward programs or clubs (e.g. airline clubs).
- Social events that do not constitute Hospitality (Section 8) or Events (Section 10).
- Costs incurred due to the presence of friends or family members, unless part of Hospitality (Section 8) or Events (Section 10).
- Hotel expenses incurred because of failure to cancel a reservation.
- Credit card fees and late payment charges.
- Additional ancillary charges such as premiums for failure to refill fuel in a rental care.

### 3.3 Individuals Approving Claims (Approvers)

Approvers are prohibited from approving their own expense, and 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 his/her approver (e.g., an executive who reports to the President & CEO cannot submit a claim that includes the cost of the President's lunch even if they were at the same event, with the result that the President & CEO would thereby approve his/her own expenses).

Approvers must:

- Provide approval only for expenses that were necessarily incurred in the performance of JBH business;
- Provide approval only for claims that include all appropriate documentation.
- Provide their approval in writing on prescribed forms.

## **4. TRAVEL**

### **4.1 General Travel Rules**

- Generally, overnight travel should be approved in advance by a claimant's direct Supervisor and should be documented (e.g. email) and attached to the travel claim. If this pre-approval is not possible, post-travel documented approval is required from the direct Supervisor.
- Where a number of staff members are attending the same function, shared travel should be considered if feasible.
- The mode of transportation chosen – air, train, or car, should be that which enables the staff member to attend to JBH business with the least cost to JBH, consistent with the least amount of interruption to the member's regular business, personal schedules and personal safety. Consideration should be taken as to the length of time away from the workplace.
- Basic economy/coach fares will be reimbursed by JBH. Any upgrades are the responsibility of the member of staff with the exception in section 4.2.6.
- Travel with others (e.g. spouse), including meals and cancellation fees, are not covered and must be paid for by the staff member personally.
- When personal travel is combined with business travel, the staff member will be reimbursed for only the business portion of the trip. Personal travel does not include travel to or from home when travelling for business.
- In the event that travel is cancelled, any travel expenses that have been reimbursed to the staff member by the vendor, including but not limited to the cost of train or flight tickets, must be reimbursed to JBH within thirty (30) days of such cancellation.

### **4.2 Travel by Vehicle**

#### **4.2.1 General Travel by Vehicle**

- When road transportation is the most practical, safe and economical way to travel, the order of preference should be:
  - Rental vehicle when a rental vehicle is more economical than use of a personal vehicle; or,
  - Personal vehicle when a personal vehicle is more economical than use of a rental vehicle.

#### **4.2.2 Rental Vehicles**

- Rental of a compact or mid-size vehicle is encouraged and staff is required to use car rental companies approved by JBH where possible to ensure the most favourable rates. Consideration may be given for a car rental upgrade based on the number of passengers, weather conditions and other safety reasons. However, all luxury and sports car rentals are expressly prohibited.
- Collision and liability insurance offered by the car rental companies should be purchased if JBH's insurance coverage does not cover replacement value for rental cars.
- If applicable, rental cars must be refuelled before returning to avoid extra charges.
- Receipts for gasoline purchases, parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.
- The use of toll highways, including but not limited to Highway 407 (ETR), is acceptable.

#### 4.2.3 Personal Vehicles

- Personal vehicles used on JBH business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage should be equal to or greater than the minimum liability specified in the Insurance Act. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles. JBH will not reimburse costs of collision and liability coverage.
- For greater clarity, JBH assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when used for JBH business. Those driving a personal vehicle on JBH business cannot make claims to JBH for damages as a result of a collision.
- Reimbursement for JBH business travel will be in accordance with the prevailing approved kilometre allowance. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance. Reimbursement will be provided for the distance from the Hospital to the business-related destination (the cost of transportation between one's residence and JBH is not reimbursed).
- Claimants are required to maintain logs that adhere to CRA documentation rules. For example:
  - Km driven
  - Destination
  - Purpose of travel
- Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.
- The use of toll highways, including but not limited to Highway 407(ETR), is acceptable.

#### 4.2.4 Taxis

- The use of taxis by staff should be reasonable in the circumstances. Examples of when taxis may be appropriate include:
  - situations requiring transportation between stations or airports and JBMH sites;
  - situations requiring transportation between stations or airports and a staff member's home;
  - transportation from JBMH sites to home well after normal work hours where other forms of transportation (including public transit) are unavailable or are determined to be unreasonable or unsafe;
  - transportation home from a staff event, or an event supporting JBH business; and, when it is at the discretion of a staff member's direct Supervisor.

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#### 4.2.5 Travel by Train

- It is expected that members of staff will choose the most economical and direct form of transportation by train. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.

#### 4.2.6 Travel by Air

- Staff may travel by air for trips that are beyond reasonable driving distance. Prior approval for all travel by air, where practicable, must be obtained and documented in writing.
- Staff will travel economy class for all domestic and international travel unless pre-approved by their direct Supervisor.
- Staff will normally travel economy class for all domestic and international travel. Business class may be used for:
  - flights that are 6 or more continuous hours in length;
  - flights that qualify for night fares (red eyes) provided that the next day is a business day or the night fare is not greater than full fare economy
- It is JBH's policy to obtain maximum savings on air travel expenses within reasonable limits. Every effort should be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with necessary travel requirements.

### 5. ACCOMMODATIONS

- Staff will use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. No reimbursement will be made for suites, executive floors, or concierge levels.
- Staff is responsible for all room charges and must review the hotel bill carefully to ensure all charges are correct. A detailed copy of the hotel bill must be attached to the expense report.
- Generally, staff should not be reimbursed for entertainment, laundry service, pay TV or movies, or special facility charges (e.g. fitness clubs). However, under certain circumstances, including but not limited to long-term business trips, JBH may choose to reimburse some or all of these costs. Costs should always remain reasonable in the circumstances.
- Long-distance business and personal calls will be reimbursed, however discretion should be used in their frequency and length. Reimbursement will be made for reasonable costs for necessary personal calls home for each night away.
- Standard tips and gratuities are reimbursable and should be in evidence in the documentation.
- While travelling on JBH business, additional business expenses not otherwise covered will be reimbursed, such as computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to JBH business.

### 6. MEALS

#### 6.1 Business Meals (includes meals when travelling for business)

- Staff will be reimbursed for reasonable meal expenses, subject to approval by the claimant's direct Supervisor, if expenditures are incurred while the claimant is away from his or her place of work on JBH business. When travelling on JBH business, staff may also be reimbursed for reasonable meal expenses when the claimant is required to work during or through normal meal periods.



- Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses. Reimbursement must not exceed the amount actually spent (including taxes and gratuities) as validated by a receipt accompanying the claim.
- Reasonable gratuities will be reimbursed.
- No reimbursement shall be made for meals consumed at home prior to departure or on return, unless returning after 7:30pm from business meetings away or for meals included in the cost of transportation, accommodation, seminars and/or conferences.
- When a staff member is authorized to pay for meals of others, expense reports must include a brief explanation of the event and a list of those in attendance. Generally, the highest ranking member of staff should pay for the meal expenditures unless this is not practical in the circumstances.

## **6.2 Per Diems for Meals and Beverages:**

- Per diem rates must be approved in writing by the President & CEO or the Vice President-Finance and Corporate Services in advance of travel arrangements. Per diems are generally permitted for periods of stay away from JBH in excess of two business days.
- Per diem rates must be reasonable in the circumstances.
- As a guideline, and depending upon the nature of costs and exchange rate of the travel destination, per diem rates must approximate the following (April 2011):

Canadian destination	\$100
US destination	\$100
International	determined jointly by staff member and President & CEO or Vice President-Finance and Corporate Services
- If travelling the afternoon or evening prior to an event, a \$40 meal allowance is allowed.
- Receipts are required whether or not the per diem option is selected.
- Reasonable advances are acceptable if requested on prescribed form and approved in writing by the requester's direct Supervisor.

## **7. ALCOHOL**

- Alcohol will not be reimbursed as part of a travel or meal expenses claim.

## **8. HOSPITALITY**

### **8.1 Definition**

- For the purpose of this policy, "hospitality" is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:
  - Designated JBH organizations (i.e. those covered by the BPS Expenses Directive), or
  - Any of the Ontario governments ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive (available on the Ministry of Government Services website).

- Activities involving only those people in the organizations listed above are not considered hospitality and cannot be reimbursed. This means that hospitality may never be offered solely for the benefit of anyone covered by the BPS Expenses Directive, or by the OPS Travel, Meal and Hospitality Expenses Directive. Examples would be: office social events, retirement parties and holiday lunches.

## 8.2 Allowable Hospitality

Hospitality may be extended on behalf of JBH when:

1. Engaging representatives of other hospitals, the government, the LHINs, the broader public sector, industry, public interest groups or union representatives in discussion on JBMH matters;
2. Sponsoring formal conferences for representatives of health service provider organizations, or for government, business or labour groups;
3. Providing persons from national or international organizations and charitable organizations with an understanding and appreciation of the hospital sector or the workings of JBH;
4. Honouring distinguished persons from the healthcare sector in recognition of exceptional public service;
5. Conducting prestigious ceremonies that are attended by government, LHINs, and/or distinguished persons from the private or public sector;
6. Recruiting physicians or other professional staff; or
7. Conducting JBMH business with members of the JBMH Board of Directors.

## 8.3 General Hospitality Rules

- Hospitality expenses are reimbursed only if a reasonable ratio of staff to persons who are not engaged in work for JBH is demonstrable.
- Hospitality should be extended in an economical, consistent and appropriate way when it will facilitate JBMH business or is considered desirable as a matter of courtesy.
- Functions that are exceptions to the above must have prior approval of the
- President & CEO or the President's designate.
- Where hospitality events are extended by JBMH and where the guests include vendors (current and prospective), managers and directors 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.

## 8.4 Service of Alcohol as Hospitality

- The hospital will not pay for alcohol as part of a hospitality event.

## 8.5 Acceptance of Hospitality

- Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest, and may therefore be prohibited. Managers and directors are responsible for ensuring that they and their staff are aware of their conflict of interest obligations.
- Staff will ensure that they avoid the appearance of impropriety or favouritism when accepting hospitality from vendors (current or prospective). Staff attendance on behalf of JBH at various third party events, including but not limited to sporting events, entertainment, dinners or speaking engagements, must not violate JBH conflict of interest obligations, nor should such attendance *appear* to violate those obligations.

## **9. EXPENSES FOR CONSULTANTS AND OTHER CONTRACTORS**

### **9.1 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
- Dependent care
- Home management
- Personal telephone calls.

### **9.2 Claims for Reimbursement of Expenses**

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

## **10. STAFF, PHYSICIAN AND VOLUNTEER (INCLUDING BOARD AND BOARD COMMITTEE) EVENTS**

### **10.1 Allowable Events**

- All events must be approved by the President & CEO or his/her delegate. These events are not considered "hospitality" as contemplated in this policy.
- The following are examples of events the expense for which may be funded by JBH:
  - Employee service awards
  - Employee recognition (e.g. awards night, retirement cakes/pizzas, other small celebrations (that cost less than \$100), Christmas meals)
  - Physician recognition
  - Volunteer recognition
  - Board of Directors recognition
  - Retirement events recognizing service to JBH for 25 years or more.
  - The achievement of significant goals and priorities of JBH (e.g. accreditation success)
- If individual departments and/or units/teams wish to hold their own holiday event and/or other social activities during the year for their staff, the costs should be covered by staff/vendors/other and the activities should take place during a time so as not to disrupt the regular operations of JBH.

### **10.2 Allowable Expenses**

- For the purposes of this section, the following are examples of allowable expenses, provided that they are reasonable in the circumstances:
  - Room rental
  - Food
  - Beverages (other than alcohol; see below)
  - Gifts, other than cash (and adhering to current CRA rules)
  - Gifts may include recognition (e.g. flowers) of the death of a staff, physician or volunteer member or a person in a staff, physician or volunteer member's family

- Tokens of appreciation for service deemed by the President & CEO to be above and beyond the normal duties expected.

### **10.3 Service of Alcohol**

- Alcohol is not a reimbursable expense for the purposes of this section.

#### **i. Index**

N/A

### **D. Procedural Steps**

N/A

### **E. Related Documents**

N/A

### **F. Appendices and Tables**

N/A

### **G. References**

BPS Expenses Directive – Effective April 1, 2011

OPS Travel, Meal and Hospitality Expenses Directive (Management Board of Cabinet) –April 1, 2010

OHA Expense Policy Guidelines – March, 2010

### **H. Approvals**

Approved by JBH Senior Leadership Team.