

CATEGORY: Finance and Business Policies
TITLE: FB-09-20 Reimbursement of Expenses
POLICY: FB-09-20
ADOPTED: April 2000
APPROVED BY: Executive Director
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Overview:

To ensure that reimbursement requests by employees are reasonable, work related and compliant with this policy and procedure.

Policy:

Employees will be reimbursed for reasonable and approved expenses incurred while conducting agency business. Expenses include travel, meals, accommodation, hospitality and nominal expenses (under \$100). Reimbursement will be provided only for approved claims that include all appropriate documentation. Employees will follow purchasing guidelines as established in Policy FB 09-30 Purchasing of Goods and Services.

Approval of Expense Request

- Before purchasing anything with the intention of having it reimbursed by Contact Hamilton, approval must be granted by:

Expense Amount	Approval Authority
\$0 to \$499	Manager
\$500 and above	Executive Director

- An Approval Authority shall **never** approve their own expenses. Approved expenses for a group may only be claimed by the highest ranking staff member present.
- Expense requests must be made in writing outlining the need for the expense and the expected cost.
- Only after approval is granted may the expense be made.
- Employees are responsible for accurately predicting the cost by researching prior to submission of the request. The lowest cost item that addresses the need will be given preference.
- If the cost is over (15%) of the estimated amount, an additional approval is required.
- Bills/invoices should only include the approved item(s). Where this is not possible, personal items on the same bill will be blacked out and the taxes recalculated.

- Travel Expenses

For the purpose of this policy, travel does not refer to a person's regular commute to/from work. Expenses related to a person's regular commute are not reimbursable.

Annually through the Performance Appraisal Process, the employer meets with employees to review and approve travel related expectations including responsibilities related to using personal vehicles.

- The vehicle must be insured at the vehicle owner's expense for personal motor vehicle liability.
- It is the driver/owner's responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.
- Contact Hamilton will not reimburse the costs of insurance coverage for business use, physical damage or liability.
- Contact Hamilton is not responsible for reimbursing deductible amounts related to insurance coverage.
- In the event of an accident, the employee will not be permitted to make a claim to Contact Hamilton for any resulting damages.

Travel outside of the above noted parameters must receive pre-approval of Management.

For the purposes of this policy, reimbursable travel related work related expenditures include:

- Mileage - Travel using the employee's own vehicle will be reimbursed at the rate of \$0.45 per kilometer. Travel between home and office will not be reimbursed. Business travel occurring at the beginning or the end of the work day will be calculated by deducting the amount equivalent to the distance traveled to/from home/office.
 - Travel occurring outside of typical business hours is to be discussed in advance with management.
 - At least once per year the manager will inspect one Staff Expense Form for each employee supervised. The inspection will include the testing of the total kilometers traveled for a trip utilizing an Internet mapping program to determine that the mileage recorded is reasonable.
- Other Transportation Means - where pre-approved and most economical, the employee may claim expenses associated with public transportation (ie: taxi, bus, train, airfare, rental vehicle - compact model).
- Parking & tolls – Expenses for parking costs and pre-approved toll routes while on Contact Hamilton business are eligible for reimbursement. Parking should be claimed at the actual cost with supporting receipts. Parking paid into a cash parking meter will be noted on the Staff Expense Form.
 - Parking costs associated with daily commute are not reimbursed.
 - There is no reimbursement for traffic or parking violations.
- Tips – Reasonable gratuities. Gratuities paid will be recorded on the receipt. Reasonable amounts for gratuities include: 10% on a taxi fare.

- Communications Expenses

With prior approval, employees may use their Blackberry or cell phone for business purposes when traveling. Wherever possible, it is expected that the least expensive means of communication is utilized, such as:

- calling cards; and
- internet access through the local provincial government network.

Audio or video conferencing, whenever possible and appropriate, will be considered as an alternative to travel.

If away on business, reimbursement will be considered for:

- reasonable, necessary personal calls home for each night away; and
- additional business expenses, such as:
 - o business calls
 - o facsimile transmissions
 - o photocopying services

- Meals

- **Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. There are no exceptions to this rule.**
- Reasonable and appropriate meal expenses may be reimbursed. A meal expense may be incurred when on business and:
 - o away from the office area (i.e. at least 24 km) over a normal meal period and/or
 - o have prior approval for the expense (e.g., a business meeting within the office area that must occur over breakfast, lunch, or dinner).
 - o **Tips** – Reasonable gratuities. Gratuities paid will be recorded on the receipt. Reasonable amounts for gratuities include 10 – 15% on a restaurant meal.
- Original, itemized receipts are required and reimbursement must not exceed the actual amount spent. Taxes and gratuities are included in the meal rates.
- Reimbursement for meal expenses incurred in Canada is subject to the maximum rates set out in the chart below. These rates include taxes and gratuities.

Meals	Maximum Amount
breakfast	\$8.75
lunch	\$11.25
dinner	\$20.00

- The rates are not an allowance. They are for individual meals – you must have eaten the meal to be able to submit a claim for reimbursement.
- When more than one meal is claimed for any day, you may allocate the combined maximum rates between the meals. For example, if you will be eating both breakfast and lunch, the combined rate is \$20.00. This now becomes the maximum rate for the two meals, regardless of what you spend on each meal. (Note that it is not permitted to use a combined maximum rate and not claim for each of the meals. For example, it is

not permitted to combine the maximum amounts for breakfast and lunch (\$20.00) to claim for brunch. Nor is it permitted to combine the maximum 3-meal rate (\$40.00) if only 2 meals are eaten.

- Accommodation Expenses

Typically, overnight accommodation within the Hamilton-Niagara region will not be reimbursed. This includes London and Toronto (except where otherwise approved). Where accommodation expenses are pre-approved, reimbursement will be for accommodation in a standard room. Penalties incurred for non-cancellation of guaranteed hotel reservations are the claimant's responsibility.

- Professional Development

Employees that wish to receive training or education through third party sources must request approval prior to the authorization of reimbursement of funds. Includes approved workshops, conferences, training events. (Please see Policy HRB-05-75 – Professional Development) A complete and pre-approved professional development request form must be attached to all expense claims related to training and education.

- Hospitality Expenses

- *Hospitality* is the provision of food, beverage, accommodation, transportation and other amenities at public expense to people who are not engaged in work for:
 - designated Broader Public Sector organizations
 - any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive (available on the Ministry of Government Services website)
- Hospitality may be extended in an economical and consistent manner when:
 - it can facilitate business; and
 - it is considered desirable as a matter of courtesy or protocol.

- Gift Giving Expenses

Appropriate token gifts of appreciation, valued up to \$30, may be offered in exchange for gifts of service or expertise to people who are not engaged in work for the government of Ontario. Pre-approval is required.

- Nominal (under \$100) Supplies

Pre-approved purchases made on behalf of Contact Hamilton will be reimbursed (e.g. office supplies, equipment, miscellaneous expenditures).

Management and Designated Staff

In addition to the above directives, certain expenses as outlined below may be reimbursed for either management or designated staff.

- **Professional membership:** Maximum of \$500 per year.

- **Cell Phone:** Includes expenses for cell phone, business calls and standard monthly expenses. Personal calls exceeding the standard plan fee, will be identified on the monthly phone bill and reimbursed to the agency by the employee at least annually (prior to fiscal year end).
- **Internet and Computer (home-based):** Includes the costs for remote Internet access and computer supplies. (*Purchase of computer will occur through the typical purchasing procedure*).
- **Conference:** Includes expenses including registration, travel, accommodation, and meals (that are not otherwise included in the registration fee). Attendance for conferences must be pre-approved by the Board Chair (or designate), where the registration fee exceeds \$500 per person or where travel and/or accommodation expenses are expected to exceed \$300 per person. Once approved, the associated costs will be deemed approved. This approval can be verbal or written.

Consultants and Other Contractors

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

- Meals, snacks and beverages
- Gratuities

Staff Expense Reimbursement Procedure:

1. All staff will record expenses on the Staff Expense Form in the appropriate areas, providing as much detail as possible.
 - For mileage claims staff must include the date of the trip, the start and end address, the purpose of the trip, the total kilometers travelled and the total to be reimbursed (total km x rate/km).
 - For parking claims staff must include the date, the purpose for parking i.e. meeting name/ location, if client related include the client first name/last initial, whether paid to a parking meter or receipted, and the total paid.
 - Other expense claims must include the date of purchase, the item(s) purchased, a reason for the purchase i.e. meeting with _____, and the total paid. For hospitality related expenses, the people in attendance must be recorded on the back of the receipt.

When making a claim, staff members must follow these rules:

- Submit original, itemized receipts with all claims.
 - Submit claims within 2 months or by April 15th (15 days following the end of the fiscal year.)
 - If the information above is not available or is not possible, submit a written explanation with the claim to provide the approver with adequate information for decision-making.
 - Repay any reimbursement overpayments to the organization within the timeline identified.
 - If leaving employment with Contact Hamilton, submit any outstanding claims for expenses before leaving the organization.
2. Staff will total all areas and submit the completed forms along with receipts (where applicable) to their respective manager for approval.

3. Once approved, the claim will be paid in accordance with the organization's payment procedures.
4. Records will be maintained as per statutory requirements. All documentation will be forwarded to the Accountant once approved for payment. Once processed, documentation will be filed within accounting expense records.
5. Expense rules will be posted on Contact Hamilton's public website. The material will be available in accessible formats.

Related Policies:

FB 09-30 – Purchasing of Goods and Services

FB 11-15 – Signing Authority

HRB 05-75 – Professional Development

Related Forms:

FB-09-20(a) – Staff Expense Form

Note: Policy FB 09-25.2 - Executive Director Expense Reimbursement and Credit Card Use was incorporated into this policy in September 2010.