

TBC
Expense Policy
Department: Finance
CREATION DATE: November, 2012
<ELT APPROVAL DATE> December 2012
EFFECTIVE DATE January 2013
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## ORGANIZATIONAL SCOPE & PURPOSE STATEMENT

This policy has been developed to provide clear guidelines on business expenditures incurred by Michener employees, students, Board members, contractors, clinical coordinators or any other approved representatives in the fulfillment of their work related responsibilities. The following types of expenditures fall within the ambit of this policy:

- Travel;
- Business Entertainment;
- Local Expenses;
- Computer and Related Expenses;
- Cash Advances;
- Expense Reimbursements.

Michener is required to follow the Ontario Government's BPS Expense, BPS Procurement and BPS Perquisites Directives. The Guidelines are based on four key principles:

- **Accountability** – we are accountable for public funds
- **Transparency** – rules with respect to expense policies are understood and available to the public
- **Value for Money** – taxpayer dollars are used prudently and responsibly
- **Fairness** – legitimate authorized business expenses are reimbursed

This *Expense Policy* provides clear guidelines in achieving compliance in the Provincial BPS Expenditure and Perquisite Guidelines. Please refer to the *Michener Procurement Policy* for guidelines in purchasing capital equipment.

## DEFINITIONS

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

**Consultants** – persons providing services to Michener on an independent contractor basis, and who are not employees of the Institute. For greater clarity, consultants are not to be considered "staff"; that term is defined below.

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

**Staff** – For the purposes of these Guidelines, "staff" includes all Michener employees, staff, volunteers, faculty, students, Board of Governors, contracted staff and other individuals engaged in Michener business and who intend to receive travel and/or expense reimbursement under this policy.

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The following expense policies and procedures apply to all staff. Any questions should be referred to Finance.

## PRINCIPLES

The following principles should form the basis for expenditure decisions:

- Staff should be reimbursed for reasonable and actual expenses incurred by them when on Michener business;
- Reimbursement expenses should support the objectives of Michener;
- Expenses should be reimbursed providing they are supported with detailed, original receipts and/or documentation;
- Expense reports that do not comply with policies and procedures will be returned to the employee and not processed until corrected, and/or denied for reimbursement;
- Expense reports must be submitted in a timely manner. Any expenses submitted past the accepted timeframe (60-day timeframe; within the current fiscal year) may not be reimbursed and an explanation indicating reasons for the delay in submission must accompany the request for reimbursement;
- Staff are expected to make the most practical and economical arrangements for travel, meals, hospitality and corporate expenses;
- Staff expenses should be pre-approved by the appropriate manager, director, vice president or the president;
- No individual can approve his or her own expenses, or that of a subordinate that has paid for travel, meal, etc., expensed for their benefit; the highest ranking member of staff should pay and seek reimbursement for the related expenditures and;
- The person approving the expense report is responsible to ensure all claims are correct, reasonable and in accordance with the expense policy; reasonable gratuities will be reimbursed.
- In regards to expenses claimed by Michener Board of Governor members, all expense forms and detailed receipts are to be sent to the Executive Assistant of the President's Office, for review and approval of the CFO.

## TRAVEL PROCEDURE

All travel must be pre-approved in advance by the claimant's manager; requests may not necessarily be approved. The Michener pre-approval form (titled "Travel Approval Form") should be documented and attached to the travel claim. Please note, all international travel, including USA, to be approved by an Executive Board member.

### Person Submitting Travel Approval Form

1. Fill out the Form and ensure that all information is correct to the best of your knowledge.
2. Submit Form to Reporting Manager for review and approval.

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### Reporting Managers

3. Review Form for accuracy, completeness and value/contribution to Michener.
4. Sign Form to indicate approval and include appropriate budget and budget code.
5. Keep a copy for employee record and submit the original to employee travelling for business.

### Person Submitting Travel Approval Form

6. Upon your return from travel, attach the original Form to the expense report where you have added travel items for approval.

## **TRAVEL EXPENSES**

### ***Air Transportation***

Michener reimburses airfare for coach class. Upgrades to business/first class will not be reimbursed. Travel can/should typically be planned weeks in advance. By doing so, low cost airfare and discounts can be taken advantage of. When travelling with a companion, all related additional expenses (i.e. meals for a second person or conference attendance) are considered personal and will not be reimbursed by Michener.

All air travel tickets must be purchased through the Michener's approved travel agency; unless it can be demonstrated that a less expensive alternative was obtained through an alternative source. It is the staff member's responsibility to work with the travel agent to find the most economical flight that is reasonable. The original used ticket/e-ticket and boarding pass must be attached to the expense report for reimbursement.

All unused tickets should be returned immediately to our travel agent for air travel. Lost tickets are the personal responsibility of the traveler. Any lost ticket should be reported immediately by the traveler to the travel agency to arrange for a credit.

### ***Train Transportation***

Travel by train is permitted when it is the most practical and economic 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 (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; and
- health and safety considerations.

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

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### ***Airport Car Services***

Car services at standard rates may be used between suburban locations and airports.

### ***Rental Cars***

Michener discourages the rental of cars as most travel is at conferences where accommodation is in close proximity to the conference site. In certain circumstances, car rental could be justifiable. In these circumstances Michener would expect the staff member to rent a compact vehicle with pre-approval from their immediate supervisor.

### ***Taxis/Shuttle Buses***

Public taxi expense while travelling is fully reimbursable provided that receipts are submitted which indicate the amount, date, location of acquisition and destination.

### ***Parking***

Michener discourages staff from taking their car to the airport and parking it there for a week or more. While convenient, it may not be the least expensive alternative.

### ***Hotel Accommodations***

Standard business-class hotels should be used while travelling. Weekend hotel stays will not be reimbursed without an adequate explanation attached to the expense report, such as in the interest of reducing airfare. The complete itemized hotel bill must be submitted for reimbursement.

Personal expenses on hotel bills such as movie charges, mini-bar items, parking fines, traffic fines, valet service, personal/recreational items and gift shop charges are not reimbursable.

Computer/internet access charges for business purposes and not for entertainment purposes will be reimbursed. It is the traveller's responsibility to cancel any guaranteed room reservation that is not used. No-show charges will not be reimbursed to the traveller unless extenuating circumstances exist.

### ***Meal Expense While Travelling***

All reasonable and appropriate meal expenses while travelling are reimbursable, provided that detailed receipts are submitted for all expenses. Guidelines for reasonable and appropriate expenses are difficult to set and differ between large metropolitan areas and small towns. For each full day away, the guideline is \$50.00 for three meals and a snack.

The meal reimbursement rate is not a cash allowance; and therefore, employees can only reimburse for the actual amount spent. Itemized receipts must be provided for the claim, and the receipt or expense report must identify all individuals included in the bill.

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### ***Sundries & Miscellaneous Items***

No item shall be reimbursed in this category without a proper description of the charge and receipts. Toiletries, newspapers, dry cleaning, clothing, etc. are personal expenses and are not ordinarily reimbursable. Significant purchases without prior approval will be disallowed.

### ***Other Reimbursable Expenses***

The following incidental expenses, when directly related to business travel, are reimbursable:

Gratuities (maximum):

- Cabs 10-15%
- Meals 10 – 15%

Other expenses such as:

- Parking
- Currency conversion
- Telephone charges
- Traveler's cheque fees
- Visa application fees

This list is a guideline only, and types of gratuities and amounts may vary by country and/or culture. Detailed, original receipts are required for all miscellaneous reimbursable expenses.

## **BUSINESS ENTERTAINMENT**

### ***Meal Expense***

Business meals are reimbursable, provided that receipts are submitted for all expenses and that the occasion, name of business associates, and business discussed is noted on the receipt. Alcohol is not reimbursed; refer to the Alcohol Policy.

### ***Gifts***

The purchase of gifts for personal life events (i.e. birthdays, weddings and births) is generally discouraged unless pre-approval is obtained from a member of the Executive Leadership Team (ELT). In the case of bereavement flowers may be appropriate, managers to confirm with Human Resources.

## **LOCAL EXPENSES**

### ***Taxis***

Commuter expenses for travel between home and Michener are not reimbursable. Taxis may only be used for transportation to and from business meetings and airports; however, subway use is preferable. Use of our local corporate taxi service (Beck Taxi) is preferred otherwise; public taxi receipts are required and must indicate the amount, date, location of acquisition, destination and business purpose of travel.



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### **Personal Vehicle Usage**

Personal vehicles may be used in lieu of taxis. Personal car expenses include parking and mileage (The use of personal vehicles driven on authorized business travel is reimbursed at \$0.53 per kilometre for the first 5,000 km, and \$0.47 per kilometre thereafter - Please note that mileage rates are subject to change as mandated by the Canada Revenue Agency).

Personal vehicles used on Michener 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. Michener will not reimburse for costs of collision and liability insurance coverage.

For greater clarity, Michener assumes no financial responsibility for privately owned vehicles other than reimbursing staff for kilometres driven on Michener business. Those driving a personal vehicle on Michener business cannot make claims to Michener for damages as a result of a collision.

### **Personal Telephone Use**

Business use of home telephones is fully reimbursable provided that the itemized call listing is submitted with business calls noted and the reimbursement portion of the service charges and taxes is calculated based on the percentage of the business calling expenses to total calling expenses.

### **Computer and Related Expenses**

No employee of Michener is authorized to directly order computer hardware, peripherals or software for purchase or rental. All requests must be directed to Information Management. Purchases of computer hardware or software made without approval by the Director, IM, will not be reimbursed.

### **Cash Advance:**

Cash advances are discouraged. It is preferable that an employee uses a personal credit card or other means and file an expense report for reimbursement, which will be promptly paid when properly filed.

### **TRAVEL ACCIDENT INSURANCE**

Michener employees who are covered by ClaimSecure are also covered under the emergency medical travel insurance plan. Worldwide travel (except to any war zone) on behalf of Michener will be covered first by ClaimSecure and, where necessary, by 'Travel Accident Insurance Policy' with HIROC. Please refer to the *Travel Insurance Fact Sheet* for coverage details. If the person travelling on Michener business is not covered by ClaimSecure, insurance options should be discussed with the reporting manager.

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## REIMBURSEMENT AND DOCUMENTATION OF EXPENSES

All expenses and reimbursement requests shall be itemized on the *Expense Claim Form*. (Available on the Intranet under Forms & Policies/Finance/Expense Claim) All expense claim forms shall be approved by the appropriate budget manager or in their absence by their executive manager, and submitted to Finance within 60-days of returning from the trip.

### ASSOCIATED DOCUMENTATION:

Alcohol Policy  
 Expense Claim Form  
 Travel Insurance Fact Sheet  
 Travel Approval Form  
 Travel Approval Form Multiple Travelers  
 The Michener Institute Travel Contacts