

Travel, Business Events & Hospitality Expenses		
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Policy Author: Director of Finance		Dept: Finance
Scope/Impact: CHEO		
Keywords: Finance, Business, Travel, Hospitality, Expense		

1. Purpose

To reimburse staff for reasonable expenses incurred when conducting business. Staff includes CHEO employees, medical staff, volunteers, faculty and Board members.

The underlying principles in accordance with the Broader Public Sector Directives are:

- a. **Accountability:** CHEO is accountable for the public funds used to reimburse business, travel, meals, accommodations, and hospitality expenses. All expenses support business objectives.
- b. **Transparency:** CHEO is transparent to its stakeholders. The rules for incurring and reimbursing business, travel, meals, accommodations, 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, accommodations, and hospitality are necessary and economical with due regard for health and safety.
- d. **Fairness:** Legitimate authorized expenses incurred during the course of business are reimbursed.

2. Scope

This policy applies to expenses for travel, business events and hospitality for staff and applies to all funded programs, non-physician owned trust funds, designated funds and Foundation restricted funds. The signing authorities for physician-owned trust funds will be defined in the Terms of Reference for that fund. Rules governing alcohol expense do not apply to the CHEO Research Institute, Foundation funds for which sources of funds are not public, or trust funds that fall under the CHEO Trust Funds policy.

3. Policy

- 3.1 The policy is subject to the Broader Public Sector (BPS) Expenses Directive and the BPS Accountability Act (BPSAA).
- 3.2 Pre-authorization of all travel is required; however, for travel outside the Province of Ontario, written pre-approval from the CEO is required before any arrangements are made. Details regarding all travel plans and the estimated expenses to be incurred should be provided and pre-approved on an appropriate travel authorization form.
- 3.3 Hospitality, as specifically defined in this policy and required by the BPS Directives, is provided only when the event involves people from outside CHEO, Broader Public Sector (BPS) or any of the Ontario Government ministries, agencies, and public entities
- 3.4 Travel expenses will be reimbursed according to the prescribed guidelines and procedures provided they are supported with itemized receipts (paper, electronic, or scanned format) and/or documentation.
- 3.5 Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- 3.6 Credit card receipts by themselves are not sufficient to verify the expense and allow for appropriate Harmonized Sales Tax (HST) allocation and rebate calculations.
- 3.7 Staff are encouraged to prepay 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 or through a corporate credit card. Prepayment can only be for the CHEO traveller and does not include family travel.
- 3.8 Advances for costs related to travel or associated business expenses will only be made under extenuating circumstances and with approval of the Senior Vice President Corporate Services & 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 CHEO forms.
- 3.9 Staff may accumulate and retain points with loyalty programs.
- 3.10 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 applicable Vice President or CEO.

4. Allowable Travel Expenses

4.1 Transportation

Reimbursable travel costs include air, train, bus, car (either personally owned or rented) and taxis/ride shares.

The mode of transportation chosen should be the one that enables the member to attend to business with the least cost, 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. Any upgrades are the responsibility of the traveller.

- a) **Train and/or bus** fares 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 in limited circumstances such as:
- The need to work with a team;
 - Choosing travel 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.

- b) **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 CHEO. The corporate travel agent will also require a PDF/faxed copy of the signed appropriate travel authorization 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.

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 and other benefits such as securing flight cancellation credits, supplementary insurance, accommodation, and car rentals.

- c) **Car rentals** should be used only when justified by cost and convenience. Compact or equivalent vehicle will be paid by CHEO. Prior approval must be given when exceptions are made to accommodate a larger number of occupants or for safety considerations. To avoid high gas charges, rental cars should be refueled 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 prepay a car rental.

A car rental collision, loss and damage insurance waiver (CDW) is provided for by CHEO'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. CHEO's insurance will cover any additional costs in excess of 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 the staff member does not own a car and does not have automobile insurance, then liability insurance from the rental company should be purchased.

- d) **The use of personal vehicles** on CHEO business must be in accordance with CHEO policy # 170A "Use of Personal Vehicle for CHEO Business Policy". CHEO assumes no financial responsibility for personal vehicles.

If a staff member's personal vehicle is used, the per kilometre allowance, as defined by this policy, will be reimbursed. This rate will be set and communicated by the Senior Vice President Corporate Services & CFO on January 1st of each calendar year. The rate set will be equal to the Canada Revenue Agency (CRA) rate recognized as the reasonable per kilometre allowance.

The reimbursement rate is meant to compensate for all of the costs associated with use of the personal vehicle including fuel, normal wear and tear, insurance, license fees, etc. It is the driver/owner's responsibility to ensure that their motor vehicle insurance includes coverage for business use of the vehicle.

Only mileage incurred for work purposes can be claimed. Mileage claims should exclude the mileage incurred coming to, and returning from the employees designated Home CHEO Site Address. Therefore, the kilometers reimbursed will be calculated as follows:

Employees Mileage Claim = [Total KM's driven that day] – [KMs from home address to designated Home CHEO Site Address] – [KMs from designated Home CHEO Site Address to home address].

Employees who are required to regularly visit patient homes and schools in the community as part of their role, and are in positions that require employer mandated remote work in accordance with the Remote Work Policy # 414:

- Will be assigned a Home CHEO Site Address for the purposes of calculating mileage.
 - Home CHEO Site Address will be based on the following factors:
 - If the employee is assigned work based on a specific geographic location, the Home CHEO Site Address will be assigned as the closest CHEO Site Address closest to the specific geographic location of the work.
 - If this is not the case, or there are multiple office locations within the work geography, the designated Home CHEO Site Address will default to the geographically closest CHEO office to the employee's home address.
 - All applicable employees will be provided their assigned Home CHEO Site Address in writing via a letter of confirmation issued from their Director.
 - Any other arrangements that vary from the above scenarios must be approved, in writing, by the CFO.
- e) **Parking lot charges and applicable bridge or highway tolls** are reimbursable under this policy. Receipts must be submitted with the ~~Travel Reimbursement Form~~ appropriate expense reimbursement request form. Gasoline purchase is reimbursed only for rental cars since it is included in the per kilometre allowance when a personal vehicle is used.
- f) **The use of taxis** should be appropriate. For travel within Ottawa, staff are encouraged to use the CHEO taxi chit program with its contracted provider. Appropriate use of taxis includes:
- Transportation between stations or airport and destination;
 - Transportation from the staff's place of work to home well after normal work hours where other form of transportation are unavailable or are determined to be unreasonable;
 - Transportation home from an event supporting CHEO business; and
 - In other circumstances, at the discretion of the authorizing Manager/Director.

4.2 Travel Accident Insurance Coverage

Travel accident insurance coverage is provided by CHEO for all employees, Board members and volunteers, who travel on CHEO 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.

4.3 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 not to 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.

4.4 Accommodation

The corporate travel agency will offer hotels with available corporate rates; however staff are encouraged to ask for "Best of Day" rates as these tend to have a better discount. 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 traveler 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); or
- 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 set and communicated by the Senior Vice President Corporate Services & CFO on April 1st of each fiscal year.

4.5 Telecommunications

Staff are expected to use the least expensive means of communications. Where possible, this would include corporately supported tools such as Microsoft Teams or Zoom. If you are away on business, reimbursement will be made for:

- Long-distance business and personal calls so long as the frequency and length of calls are reasonable; and
- When related to business, additional expenses such as internet connection/computer access charges, photocopying, and facsimile transmissions.

A detailed copy of the hotel bill must be attached to the appropriate expense reimbursement request form.

4.6 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.

4.7 Meals and Other Expenses

Many conferences and meetings include some or all of the meals as part of the registration fee. Likewise, some accommodation charges include complimentary meals. In those cases, claims for reimbursement cannot be made for the meals that have been provided without charge.

CHEO will provide a daily meal allowance for breakfast, lunch and dinner when staff are travelling. Receipts are not required to be provided by the individual to obtain these daily meal allowances. These rates will be set and communicated by the Senior Vice President Corporate Services & CFO on April 1st of each fiscal year.

When a staff member is authorized to pay meals on behalf of other staff, expense reimbursement request forms must include a brief explanation of the event and a list of the individuals in attendance. The most senior ranking member of staff must assume payment for the meal expenditure as noted in CHEO policy # 54 "Approval Authority Policy". Receipts are to be provided when paying for a meal on behalf of others. Payment will be issued at the lower of the meal allowance per individual, or the total payment per the itemized receipt, inclusive of all applicable taxes and gratuities.

Meal allowances for online conferences or training conferences will not be provided unless the online conference or training course is being attended while already travelling for business.

Meal allowances will be paid in Canadian Dollars for all travel conducted within Canada. For travel outside of Canada, payment will be issued as the current established meal allowance rate, multiplied by the Bank of Canada currency exchange rate between Canadian Dollars and the country of travel, as per the date of approval of the appropriate expense reimbursement request forms. Payments will be paid in Canadian Dollars.

4.8 Business Meeting Expenses

Bona fide business meeting expenses are reimbursable. These expenses will be incurred and authorized only by Senior Management, the Board Chair or delegate. Business meeting expenses can be incurred within or outside CHEO's premises. They include, but are not limited to, business meeting meals (breakfast, lunch and dinner), strategic planning retreats at all levels of the organization, and the conduct of other important subject specific corporate meetings. Business meeting expenses can include CHEO 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.

4.9 Hospitality

Hospitality is specifically defined in the BPS Directives and Definitions section of this policy. 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, the Board Chair or delegate.

In accordance with the BPS Directives, Hospitality expenses will not be reimbursed when incurred solely for the benefit of CHEO staff, 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 CHEO 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 CHEO, 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 perceive to give, preferential treatment to any vendor. Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest; accordingly sound judgment must be exercised by staff members. Management is responsible for ensuring staff is aware of rules of conduct and conflict of interest obligations.

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.

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

4.10 Non-Reimbursable Expenses

Generally, expenses of a personal nature are not reimbursable under this policy. Such expenses include, but are not limited to:

- Expenses resulting from unlawful conduct;
- Traffic and parking violations incurred while driving on CHEO business;
- Recreational expenses while travelling such as video rentals, movies, mini-bars, hotel fitness facilities charges, entertainment not directly related to business, etc.;
- Personal items not required to conduct business;
- Membership fees to reward programs or clubs;
- Social events that do not constitute hospitality as defined in this policy or expenses incurred due to the presence of friends or family members, unless defined as of hospitality under this policy;
- Transportation and/or hotel expenses incurred because of failure to cancel reservation;
- Credit card fees and late payment charges; and
- Additional ancillary charges such as premiums for failure to refill fuel in rental car.

5. Responsibilities

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.

5.1 Every staff travelling on business will:

- Obtain prior written approval for travel outside of the province of Ontario by completing the appropriate travel authorization form;
- Represent CHEO in a professional manner at all times;
- Follow CHEO policies, procedures and guidelines for expenses;
- Complete the appropriate expense reimbursement request forms within 14 business days following the trip or incurrence of the expense;
- Ensure that all expenditures are supported by itemized receipts (credit card slips by themselves are not sufficient);
- Ensure expenses incurred are consistent with normal business standards; and
- Whenever possible, use the CHEO corporate travel agency and/or a corporate credit card.

5.2 The Senior Officer will:

- Review and authorize the appropriate travel authorization form prior to travel;
- Ensure sufficient budget or funds are available to cover such expenses; and
- Authorize expenses in accordance with CHEO policy # 54 "Approval Authority Policy" and submit to Finance department for processing.

5.3 The Finance Department will:

- Ensure travel expenses are properly authorized and 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 ranking member of staff present (i.e., a Manager cannot submit his/her Director's claim for lunch even if they were at the same event).

6. Cross-References

Approval Authority Policy # 54
Payment Requisitions Policy # 57
Conflict of Interest Policy # 106
Ethical Code of Conduct & Reporting Policy # 135
Vehicle Policy # 170A
Remote Work Policy # 414

7. References

Broader Public Sector Expenses Directive – 2020
Management Board of Cabinet (MBC) Travel, Meal and Hospitality Expenses Directive – January 2020

8. Definitions

Authorization: Per CHEO policy # 54 “Approval Authority Policy”, 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 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. Consultants or other contractors will not be reimbursed for any hospitality, incidental or food expenses.

Hospitality: In accordance with BPS Directives, hospitality is 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 or any of the Ontario Government ministries, agencies, and public entities.

Office: CHEO’s place of work.

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

Receipt: An original paper, electronic, or scanned document with the details of the expenditure, amount, taxes, tip, date of incurrence and proof of payment.

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

Home CHEO Site Address: A CHEO office site that is established for the purposes of mileage calculations in accordance with Canada Revenue Agency. Allowable Home CHEO Site Addresses are as follows:

- 401 Smyth Road, Ottawa
- 1002 Beaverbrook Road Suite 109, Ottawa
- 2 MacNeil Court, Kanata

- 600 Campbell Avenue, Suite 100, Cornwall
- 499 Raglan Street North, Renfrew
- 191 Plaunt Street, Renfrew
- 2225 Mer-Bleue Rd, Orléans
- 223 Pembroke Street, Pembroke

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Pick Date	Revisions	
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