

Expense Rules

1. Purpose

a) The Lutheran Community Care Centre is committed to be in compliance with the *Broader Public Sector Accountability Act, 2010* (Part IV – Expense Claims: Allowable Expenses) and the Expenses Directive issued by the Management Board of Cabinet of the Ontario government.

b) The Expense Rules are based on these four key principles:

i. Accountability

Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.

ii. Transparency

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

iii. 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.

iv. Fairness

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

2. Scope

a) This policy sets out the expense rules that apply when reimbursement of those expenses are from public funds.¹

¹ As defined in the *Broader Public Sector Accountability Act, 2010*, “ ‘public funds’ means the public money of the province of Ontario that is provided by the Government of Ontario or an agency of the Government of Ontario, directly to any authority, board, commission, committee, corporation, council, foundation or organization through a grant or transfer payment or other funding arrangement, and, in the case of a school board,

- b) This policy applies to employees, volunteers, board members, and appointees of the organization and to consultants and contractors engaged by the organization to provide services.
- c) Where this policy conflicts with the collective agreement between the organization and the union representing employees of the organization, the collective agreement shall prevail for the employees that it covers.

3. Meals

- a) The organization shall reimburse the cost of meals to employees, volunteers, appointees and board members who are performing their duties at a location greater than seventy-five (75) kilometres from their normal place of operation for employees and from their place of residence for volunteers, appointees and board members as further defined in this policy.
- b) Costs eligible for reimbursement include the cost of the meal, applicable taxes and gratuities.
- c) Gratuities which are at the discretion of the purchaser shall not exceed 15% of the meal cost.
- d) Costs associated with alcoholic beverages are not eligible for reimbursement.
- e) Reimbursement for meal costs shall not exceed the following amounts:

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$35.00

includes money received by the school board from taxes levied under the *Education Act* for school purposes, but public funds does not include,

- (a) money that is paid for the provision of goods or services to the Government of Ontario or an agency of the Government of Ontario,
- (b) money that is paid by the Government of Ontario or an agency of the Government of Ontario under a fee for service arrangement, or
- (c) money that is provided by the Government of Ontario or an agency of the Government of Ontario, by way of a loan or loan guarantee; ('fonds publics')

For a full day of meal claims, (breakfast, lunch and dinner) employees, volunteers, appointees and board members have the discretion to allocate the daily total three-meal rate of \$70.00 among meals.

- f) The employee's supervisor shall confirm the validity of the work assignment when approving the claim.
- g) When meals are provided as part of fees paid for a conference or training session that the employee is attending, no claim for those meal times can be made.

4. Travel

- 1. The most practical and economical way to travel will be used in each circumstance unless an exception is given by the appropriate authority.

2. Local Travel

- a) In most cases use of a personal vehicle and/or public transportation will be used for local travel. When employees are approved by their manager to use their own vehicle for work purposes they shall be paid fifty (50) cents per kilometre.
- b) Travel claimed will exclude daily travel to the office from home and return.
- c) The claim for kilometre reimbursement shall indicate the date of travel, the addresses traveled to and from, the purpose of the trip and the actual kilometres traveled using a tenth of a kilometre. Claims are to be submitted by the 10th of the following month. If no claim is being made for the month, the Manager of Finance shall be informed.
- d) In the case of public transportation, the employer will provide bus coupons or, if more economical, cover the cost of a bus pass.
- e) Employees shall be responsible for securing adequate automobile insurance, and shall disclose to their insurance agent the nature and extent of any work-related vehicle use. For staff that transport clients they are required to carry at least \$1,000,000 in liability insurance on their vehicle and provide proof of such insurance to the employer. For those employees required to use their vehicle for work-related travel they shall be reimbursed the cost of the business Rider.
- f) Generally, volunteers, board members and appointees are not eligible for reimbursement of local travel costs or the per kilometre rate unless they have been given a particular duty that involves significant local

travel, in which case the reimbursement method shall be approved in advance by the Executive Director.

3. Out of Town Travel

- a) An assessment of the cost (including travel time and need for accommodation and meals) of various methods of transportation will be conducted prior to an employee traveling out of town for work-related purposes. The manager shall approve the most practical and economical method of transportation. Where employees regularly travel within the catchment area for their program, the manager's approval can apply to similar repeated trips that are part of the primary function of the employee's position.
- b) Inter-city travel by volunteers, appointees and board members shall be arranged by administrative staff of the organization with the same regard for the most practical and economical methods of transportation available from their community to their destination. Where use of a personal vehicle is determined to be the best method, reimbursement of fuel costs shall be provided when it is more economical than the per kilometre rate. The Executive Director shall approve such travel arrangements and reimbursements.
- c) When the rental of a vehicle is determined to be the most practical and cost effective, the size and type of vehicle shall be based on the number of occupants, cargo and weather-related road conditions.
- d) The rental car company as chosen by the agency shall be used. The rental car must be refuelled wherever possible before returning it in order to avoid higher gasoline charges imposed by the rental car company.
- e) Whenever practical, airport or hotel shuttle services shall be used over taxicabs.
- f) All out of town travel by employees shall be for a work-related purpose approved by a manager with written documentation of the purpose and approval.
- g) When out of town travel includes the need for accommodation, reimbursement shall be made for single accommodation in a standard room. When two or more employees or board members are traveling together, the organization may require that individuals of the same gender share accommodation.

4. General

- i. Bridge, ferry and highway tolls while driving on work-related business shall be reimbursed upon submission of receipts with a claim.
- ii. Traffic and parking fines are the responsibility of the vehicle operator.
- iii. Parking fees shall be reimbursed upon submission of receipts with an explanation of the work-related activity related to the fees.
- iv. Reasonable out-of-pocket expenses related to parking meters, bus tickets and subway tokens will be reimbursed. Receipts are not necessary to support reimbursement of these expenses.

5. Hospitality

a) Definition

- i. Hospitality is the provision of food, beverages, transportation, accommodation or other amenities paid out of public funds to people who are not clients of or engaged to work for the Lutheran Community Care Centre.
- ii. Activities involving only those people engaged to work for the organization, such as office social events, retirement parties and holiday lunches, are not considered hospitality and cannot be reimbursed out of public funds.

b) Rules

- i. Hospitality can be extended in an economical, consistent and appropriate way when it will facilitate organizational business or is considered desirable as a matter of courtesy. Expenditures should be consistent with the status of the guest(s), the number of persons attending and the business purposes to be achieved.
- ii. The host(s), even though an employee of the agency, can include their food or beverage cost when making a claim for reimbursement of hospitality costs.
- iii. Alcohol cannot be claimed and reimbursed from public funds for hospitality events.
- iv. Claims for reimbursement of hospitality expenses and invoices from vendors providing the hospitality service should have the following information attached:
 - information on the circumstances giving rise to the hospitality
 - the form of hospitality
 - the cost

- name and location where hospitality provided
 - number of attendees
 - names of attendees, their title and company name
 - approval from appropriate authority
- v. Where hospitality events are extended by the organization to guests that include vendors or prospective vendors to the organization, the Executive Director's advance approval is required to ensure that the hospitality provided does not give or is perceived to give preferential treatment to any vendor.

c) Examples of where hospitality provided

- i. Hospitality is often provided when a group of people are convened at the request of LCCC personnel as in the case of an advisory committee meeting, case conference, interagency meeting and so on. Light refreshments may be provided or in the case of a longer meeting or meeting held over a meal time, a meal may be provided. Commonly these meetings occur at an LCCC office and the refreshments/meal is catered in with the agency directly invoiced.
- ii. Hospitality may also be provided to one or two individuals by paying for their restaurant meal. Typically, the reason for meeting over a meal is to discuss business, express appreciation for cooperation or past work done with the agency or encourage a future working relationship.
- iii. Hospitality in the area of transportation would normally be the provision of a ride in a staff person's personal vehicle. An example would be providing a ride to and from the airport for an out of town guest. Other types of transportation provision would be rare and must be approved by the Executive Director.
- iv. Provision of accommodation would also be rare and must be approved by the Executive Director.

6. Consultants and other contractors

a) Expenses that are admissible if specified in a contract:

- i. A per diem fee or hourly fee for consultants and trainers when such a fee structure is normal for the service.
- ii. A fee quoted in response to a tender or request for pricing based on specified work to be performed.
- iii. The cost of travel to perform a service when a service agreement indicates travel costs are an additional cost to be billed. The travel

- costs billed should be supported with invoices from the travel provider and any tax rebate entitlements deducted from the amount billed.
- iv. Disbursement costs cited in the service agreement as additional costs such as permits, inspections, printing, postage, and electronic communication fees as long as they are not inadmissible expenses under this policy.
 - v. government taxes that the consultant or contractor is legally required to charge on the expenses invoiced.
 - vi. Other expenses agreed to if not deemed inadmissible expenses in this policy.

b) Inadmissible Expenses

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors or contained in any contract between the organization and the consultant or contractor.

Inadmissible expenses include:

- i. Meals, snacks and beverages
- ii. Gratuities
- iii. Laundry or dry cleaning
- iv. Valet service
- v. Dependent care
- vi. Home management
- vii. Personal phone calls

7. Claims

a) Time Limit for Claims

- i. The organization assumes no obligation to pay expenses submitted more than 90 days after the date they are incurred. Exceptions will only be at the discretion of the Executive Director.
- ii. Employees leaving the organization must submit claims for expenses before leaving.

b) Documentation

- i. Original, itemized receipts must be provided with claims for reimbursement. Credit card and debit card slips by themselves are not sufficient to support a claim for reimbursement. If original and itemized receipts are not available or possible, a written explanation must be submitted with the claim to provide the approver with adequate information for decision-making.

- ii. Good record-keeping practices must be maintained for verification and audit purposes. The organization can specify the form that is to be used to submit a claim.

c) Repayment of overpayments or inadmissible expenses

Any overpayment of expenses or expenses deemed to be inadmissible that were charged, shall be considered a debt owing to the organization and shall be repaid in an expeditious manner.

8. Individuals Approving Claims (Approvers)

- a) Approvers are prohibited from approving their own expenses.
- b) Expenses for a group can only be claimed by the most senior person present. This is to avoid the situation where the approver of the expense claim was a beneficiary of the expenditure.
- c) Approvers shall provide approval only for expenses that were necessarily incurred in the performance of organization business and for claims that include all appropriate documentation.
- d) In special situations where some degree of flexibility or managerial discretion in applying the expense rules is being considered, approvers must determine whether the request is able to stand up to scrutiny by the auditors and members of the public, is properly explained and documented, and is fair, equitable, reasonable and appropriate before making a decision. The rationale for the decision shall be documented and attached to the expense claim.

9. Approval Authority

Meals	
Claimant	Approver
Employees below position of supervisor	Supervisor
Supervisors, volunteers	Manager
Managers, appointees, board members	Executive Director
Executive Director	Board President or other board member designated by the Board President

Local Travel	
Claimant	Approver
Employees below position of supervisor	Supervisor
Supervisors, volunteers	Manager
Managers, appointees, board members	Executive Director
Executive Director	Board President or other board member designated by the Board President

Out of Town Travel and Accommodation that is within the catchment area of the organization	
Claimant	Approver
Employees below position of supervisor	Supervisor
Supervisors, volunteers	Manager
Managers, appointees, board members	Executive Director
Executive Director	Board President or other board member designated by the Board President

Out of Town Travel and Accommodation that is outside the catchment area of the organization but within Ontario	
Claimant	Approver
Employees below position of supervisor, Supervisors, volunteers	Manager
Managers, appointees, board members	Executive Director
Executive Director	Board President or other board member designated by the Board President

The catchment area of the organization is the Districts of Kenora, Rainy River, Thunder Bay, Algoma, Manitoulin and Sudbury.

Out of Town Travel and Accommodation that is outside of Ontario	
Claimant	Approver
Employees below position of supervisor, Supervisors, Managers, volunteers, appointees, board members	Executive Director
Executive Director	Board President or other board member designated by the Board President

Hospitality	
Claimant	Approver
Employees below position of supervisor, Supervisors, volunteers (except for accommodation)	Manager
Employees below position of supervisor, Supervisors, volunteers where accommodation is involved. Managers, appointees, board members	Executive Director
Executive Director	Board President or other board member designated by the Board President

Consultants and Contractors Expense Claim	
Claim amount	Approver
Expenses claimed are consistent with those allowed in the contract with consultant or contractor	Manager or Executive Director
Expenses claimed are outside of expenses allowed in the contract with the consultant or contractor but are not inadmissible expenses according to this policy AND do not exceed \$10,000	Executive Director
Expenses claimed are outside of expenses allowed in the contract with the consultant or contractor but are not inadmissible expenses according to this policy AND are \$10,001 or greater	Board of Directors

10. Posting

- a) This Expense Rules policy shall be posted on the organization's website.
- b) This Expense Rules policy shall be available in accessible formats.