

| | | | |
|------------------------------------|---------|---|---|
| Policy Number: | FIN 504 | Policy Title: | Business Expense Reimbursements |
| Supersedes Existing Policy? | Y | Policy Owner: | Senior Vice-President, Corporate Services |
| Associated Procedure: | Y | Date Last approved by the Board: | March 15, 2023 |

Business Expense Reimbursements

1. Introduction and Purpose

Loyalist College is accountable for the sound management of public funds and therefore managing its business expense budget in a fiscally responsible manner. Loyalist College is responsible for ensuring its business expenses are approved through an open, fair and transparent process.

The purpose of this policy is to set out the guidelines for business expense reimbursement to ensure the expenditure of College funds is properly authorized and supports College business, initiatives and goals. In addition, the policy enables the College to manage its business expenses in an efficient manner.

2. Application

This policy applies to all College employees, volunteers, and all consultants and contractors engaged by the College. This policy also applies to the reimbursement of funds from research grants. In cases of reimbursement of research funds that fall outside of the scope of this policy, refer to the *FIN 515 Financial Administration of Research Funds Policy*. In the event of any conflict between the granting agency's policies and those of Loyalist College, funds will be administered in accordance with the more stringent financial policy of the two.

3. Definitions

Business Expenses – Reimbursable debts incurred by individuals during activities that have a clear business purpose and are consistent with the mission of Loyalist College.

The Broader Public Sector Accountability Act, 2010 (BPSAA) – Refers to new rules and higher accountability standards related to expenses and procurement for Broader Public Sector (BPS) organizations.

Broader Public Sector (BPS) Organizations – Broader Public Sector (BPS) organizations include those organizations that receive government transfer payments to provide services to the public, for example: colleges, universities, school boards, hospitals, long-term care facilities, community care access centres and children's aid societies

Approver – A person with the authority to make approvals under this policy.

Chair – The Chair of the Board of Governors, accountable to the Minister of Colleges and Universities, regardless of whether the title "Chair" is used.

Claimant – Anyone making a claim under the terms of this policy.

Consultants and Contractors – Individuals or entities under contract to the College providing consulting or other services.

Delegation of Authority – A written assignment by which a person who has power, duty, function or responsibility under this policy authorizes another person (identified by name or by position title) to exercise the power, duty, function or responsibility.

Employee – An individual employed by the College whether full or part-time or temporary contract.

Hospitality – The provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged in work for any designated *Broader Public Sector Accountability Act* 2010.

Itemized receipt – Original document identifying the vendor with the date and amount of each itemized expense item paid by the claimant.

4. Policy Statement

- › Loyalist College will reimburse business expenses that are legitimate, reasonable and appropriate for the business activity undertaken, and that meet the terms and conditions set out by the funding source used to pay for them.
- › Business expenses must be pre-approved. Electronic approval is considered written approval for the purpose of this policy if the approver has sufficient information to make an informed decision.
- › All business expenses claimed for reimbursement must be accompanied by the appropriate documentation/receipts.
- › Expenses for a group can only be claimed by the most senior person present.
- › This policy does not prevail over legislation or a collective agreement or other terms and conditions of employment between the College and employees of the College, in event of any conflict or inconsistency.

5. Hospitality

Hospitality may be extended in an economical and consistent manner when it:

- › facilitates College business;
- › is in pursuance of donor stewardship and/or cultivation; or
- › is considered desirable as a matter of courtesy or protocol.

6. Alcohol

Individuals Authorized to Approve Alcohol-Related Expenses: Reimbursement for any alcohol-related expenses that fall within the rules of hospitality will require pre-approval from the President. If the hospitality event is hosted by the President, the President must seek prior approval from the Chair of the Board of Governors.

Special Status for Service of Alcohol at Hospitality Events: If a department of the College deems the service of alcohol to be integral to their business (such as the service of alcohol at events promoting some hospitality programs), the department may apply for special status that would allow the Board of Governors to pre-approve the service of alcohol at hospitality events.

Alcohol cannot be claimed as a business expense outside of the scope of the Alcohol section of this policy.

7. Meeting Expenses

Meeting expenses are allowed when the meetings pertain to College business and are not regularly scheduled department meetings. Allowable meeting expenses, including refreshments, are included when hosting staff from other institutions, including BPS agencies and provincial ministries or agencies, during discussions of mutual interest that seek to further either institutional or government objectives.

Meeting expenses must be approved beforehand by the appropriate member of the College Executive Team (CET).

Meeting expenses do not include office social events, staff holiday parties/lunches, flowers, donations, gifts, or memorials. These expenses will not be reimbursed.

8. Gift Giving

Appropriate token gifts of appreciation may be offered in exchange for gifts of service or expertise to people who are not engaged in work for the College. Cash and gift cards cannot be given as token gifts, and appropriate receipts must accompany any claim for reimbursement.

9. Travel

All expensed travel must be for College business outside of an employee's regular commute to work. Personal expenses will not be reimbursed. Any travel expenses paid for by the College may not be used by the claimant for income tax purposes.

The mode of travel considered reasonable is that which provides adequate standards of comfort, convenience, safety and efficiency, and is the most economical option under the circumstances.

➤ Approvals for Travel

The following chart identifies the level of approval required for travel for those covered by this policy. It includes only levels for approving travel and not for approving any expenses related to travel.

| Position | Within Ontario | Within Canada | International |
|------------------------|----------------|---------------|---------------|
| Board Chair | Vice Chair | Vice Chair | Vice Chair |
| President | Board Chair | Board Chair | Board Chair |
| College Executive Team | President | President | President |
| Employee | Dean/Director | Dean/Director | President |

Under no circumstance can an individual approve either their own travel plans or their own expenses.

➤ Medical and Health Insurance

The College will reimburse for out-of-country medical and health insurance for travel outside of Canada if not covered by existing employee benefits.

➤ Air Travel

The standard class for air travel is economy fare. Business class travel may be acceptable with prior approval as stated under the International Travel section of this policy.

➤ Train

Train travel must be made on coach class economy fare. Business class may be acceptable if choosing a travel time that allows you to reduce expenditures on meals or accommodation (e.g., compared to an economy class ticket plus a meal, with the cost of a ticket for VIAI, where the meal is included).

➤ Vehicle

When road transportation is the most practical and/or economical way to travel, the order of preference is to use a rental vehicle first; or a personal vehicle, if it is more economical than a rental vehicle.

College vehicles may be:

- › used only for College business;
- › used by departments assigned a College vehicle; and
- › operated only by someone with a valid Ontario driver's licence for the appropriate class of motor vehicle once a pre-authorization from Financial Services for insurance purposes is received.

You can have a passenger in a College vehicle only if the passenger's travel is related to College business.

Rental Vehicle

Rental cars should be used when they provide the most economical form of transportation. The standard for vehicle rentals is a mid-size car. The costs of the rental vehicle plus fuel are eligible expenses.

Personal Vehicle

Staff members must ensure that they have appropriate insurance coverage when using their personal vehicle for College travel. College insurance does not cover the use of staff-owned automobiles for College business. The kilometric rate reimbursement is calculated to cover vehicle expenses including the cost of this insurance. The current rate for reimbursement is fixed at .61 per km.

Traffic fines (such as parking or speeding tickets) are not allowable expenses.

Accident Reporting

All accidents must be reported immediately to local law enforcement authorities and the employee's immediate supervisor. In addition, if an employee is using a:

- › College vehicle, advise the appropriate College staff;
- › rental vehicle, advise the rental car agency and advise the appropriate college staff; or
- › personal vehicle, advise their personal insurer.

10. International Travel

If travelling internationally (outside Canada and the continental USA), in addition to the obligations set out elsewhere in this policy, the following rules apply. Requests for international travel must include:

- › written rationale demonstrating the critical value of travel for College priorities and interests, and details how the travel will produce a benefit for the College;
- › written acknowledgement that all appropriate approvals are in place;

- › documentation showing detailed itemization of anticipated expenses (note that the lowest cost and most reasonable method of travel must be used whenever possible); and
- › confirm any travel warnings by the Federal Department of Foreign Affairs and International Trade related to proposed travel.

Economy class seating is the standard option for international travel. Business class may be permitted on international flights with prior approval of the President if the one-way flight time exceeds 9 hours (not including layovers).

11. Accommodation

The standard for accommodation is a single room in a business class hotel.

If the employee chooses to stay with relatives or friends, they may claim \$30 per night in lieu of accommodation costs. No receipt is required.

12. Meals

Meals purchased during travel will be reimbursed to a maximum amount per meal. All claims for meals must be accompanied by an itemized receipt.

Where meals are included in the transportation fare, or in the cost of registration fees, meals cannot be claimed.

Maximum meal rates are:

- › Breakfast \$15.00
- › Lunch \$20.00
- › Dinner \$35.00
- › Daily Maximum \$70.00

Meal rates for international travel are the same values plus the current exchange rate determined by Finance at the beginning of each month.

Maximum meal rates are:

- › Breakfast \$15.00
- › Lunch \$20.00
- › Dinner \$35.00
- › Daily Maximum \$70.00

Meal rates for international travel are the same values plus the current exchange rate determined by Finance at the beginning of each month.

13. Other Eligible Expenses

13.1 Parking and Tolls

The cost of parking and tolls may be claimed. Receipts must accompany the expense report.

13.2 Bus and Taxis Fares

The cost of bus and taxi fares may be claimed. Receipts must accompany the expense report.

13.3 Communications

An employee travelling on business trips will be reimbursed for reasonable, necessary personal calls from home each night away; and for additional business expenses such as:

- › business calls;
- › internet connections and computer access charges;
- › facsimile transmissions; or
- › photocopying services.

13.4 Cash advances

Cash advances will only be issued if the claimant is not using a corporate card or there are extenuating circumstances.

13.5 Visas and Immunization

The cost of a visa, plus the cost of immunizations for international travel will be reimbursed.

13.6 Conference Fees

Funds may be used for the costs related to conferences, seminars and professional development activities that employees attend. These costs must be pre-approved.

13. Related Documents

- › FIN 515 Financial Administration of Research Funds Policy.
- › FIN 504 Business Expense Reimbursement Policy

13. References

- *Broader Public Sector Accountability Act, 2010*