



FINANCE SERVICES MANUAL

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| Business Expenses and Reimbursement | | POLICY # FN 13.10 | |
| APPROVED BY: Executive Director | | APPROVAL DATE: | Mar 2, 2016 |
| CROSS REFERENCE: (if applicable) | | REVISION DATE: | January 20, 2020 |
| | | REVIEW DATE: | |

1.0 POLICY STATEMENT

The **Children's Aid Society of the District of Nipissing and Parry Sound (the "Society")** recognizes that in the course of their duties, an employee may incur out-of-pocket expenses because of the nature of their employment. Such expenses include those associated with carrying out necessary services to clients and the administration of duties, hospitality, training, and business travel.

The purpose of this policy is to set out rules and principles for the reimbursement and payment of expenses to ensure fair and reasonable practices; and to meet the requirements set out in the Broader Public Sector Expense Directive as issued by the Ontario Management Board of Cabinet for establishing expense rules where expenses are reimbursed from public funds.

DEFINITIONS

2.0 BPS Organizations: "Designated broader public sector organization" as defined under the *Broader Public Sector Accountability Act, 2010*

2.1 Hospitality: the provision of food, beverages (including alcohol), accommodation, transportation or other amenities at public expense to persons who are not engaged to work for the Society, designated BPS Organizations, and the Ontario Government.

2.2 Supervisor: Refers to the supervisor of the employee with budgetary control over the employee's expenses.

2.3 Consultant: means a person or entity under an agreement, other than an employment agreement, providing expert or strategic advice and related services for consideration and decision making.



3.0 APPLICATION

Principle

This policy is based on four key principles:

- a) Accountability
 - The Society is accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses must be work related and support business objectives.
- b) Transparency
 - The Society is transparent to all stakeholders. The rules for incurring and reimbursing travel, meal, and hospitality expenses are clear and easily understood. The policy has to be posted on the Society's website in accessible formats, so the expense rules are available to the public.
- c) Value for Money
 - Taxpayer dollars are used prudently and responsibly. Plans for travel, meals, accommodations, and hospitality are necessary and economical with due regard for health and safety. Expenses must be modest and appropriate.
- d) Fairness
 - Legitimate authorized expenses incurred during the course of Society business are reimbursed. Expenses must strike a balance between economy, health and safety, and efficiency of operations.

The Society will not reimburse expenses which do not comply with this Policy.

Non-Reimbursable Expenses

Expenses of a personal nature will not be reimbursed. Such expenses include but are not limited to expenses for:

- Recreational purposes, except when incurred in connection with providing necessary services to clients;
- Personal items;
- Traffic and parking violations;
- Social events that do not constitute hospitality;
- Alcoholic drinks, unless part of hospitality



Consultants and Other Contractors

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

Reimbursement for allowable expenses can be claimed and reimbursed when the contract specifically provides for it.

Reimbursable Expenses

Receipts

Original receipts (not photocopies) must be submitted with all expense claims in accordance with the Society's submission timelines, outlined below. Credit card slips by themselves are not sufficient to support a claim for reimbursement.

In the event of missing receipts an exception may be made at the discretion of the Finance Department and only with appropriate documentation from the claimant that a receipt has been misplaced.

For all purchases with an agency credit card, original receipts must be submitted to the Finance department for reconciliation to the credit card statement.

Supporting documentation must be attached to the expense reimbursement forms and will be retained for the same time period as all Society accounts payable records.

Authorization

All expense claims must be authorized by the employee's Supervisor or Manager depending of the value of the claim. Supervisors approving expense claims are responsible for monitoring compliance with this policy. The Board President of the Board Treasurer/Secretary, as authorized by the Board President, will approve the reimbursement of expenses for the Executive Director.

Guidance on Exceptions

Requests for reimbursements should not be rejected solely because they arose from mistakes or misinterpretations of the requirements of this policy. Decisions whether to approve exceptional reimbursements must be reviewed on a case by case basis and approved by a Manager. A decision to make an exception to a claim will be guided by the following principles:

- Trust (use discretion and latitude to act in a fair and reasonable manner)



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- Flexibility (management decisions respect the duty to accommodate, respond to a persons' needs and interests and to consider unforeseen circumstances)
- Stewardship (ensure consistent, fair and equitable application of this policy giving consideration to all circumstances while maintaining the shared responsibility of wise and prudent use of agency resources)

It is the responsibility of both the approver and the claimant to work out appropriate arrangements which would meet the test of being fair and equitable.

When a Manager/Director decides to exercise managerial discretion in making an exception and in order to ensure a proper record for audit purposes, the rationale for the exception must be documented and accompany the expense claim.

Travel

The Society recognizes that many employees travel in the course of carrying out their work duties. A combination of fleet vehicles, rental cars, public transportation, personal vehicles and other transportation should be used to meet the business needs of the Society.

The most practical and economical way to travel (including accommodation) will be chosen in each circumstance, unless an exception is granted by the appropriate authority.

Normal travel related to direct service or other Society business and within the Society's areas of "geographical jurisdiction" does not require prior approval – such claims are approved after incurrence. Normal agency expense guidelines, Collective Agreement, and any application provincial or federal legislation will govern reimbursement claims.

Travel outside of the Society's jurisdiction but within Ontario requires prior approval from an employee's immediate supervisor. Travel outside of Ontario but within Canada requires prior approval from the Executive Director or designate. The most cost-effective method of travel must be chosen, while balancing efficiency in operations.

Requirements

All employees and placement students who are required to drive a fleet, rental, or private vehicle on Society business must:

- Hold a valid Ontario Class G2 or G driver's licence;
- Observe all rules and regulations required until this policy and the *Highway Traffic Act*;
- Immediately report any driving accident/incident to their Supervisor;



- Immediately report any loss of driver's license (either suspension or permanent) to their supervisor in writing with copies to the Manager/Director of the Human Resources and Finance Departments.

Automobile

Where an employee is required to travel more than a total of three hundred (300) kilometers from the Society's home office, the employee shall use either a Society fleet or rental vehicle, if available.

Rental Vehicles

Where employees are using a rental car, the size of the car must be the most economical and practical required for program delivery and the number of occupants. Exceptions must be documented and approved by the employee's supervisor in writing. In no case will luxury or sports cars be reimbursed. The rental car must be refueled wherever possible before returning it, in order to avoid higher gasoline charges imposed by the rental car agency.

Fleet Vehicles

The Society maintains a fleet of vehicles, the use of which is coordinated by the Finance and Administration Department. Fleet vehicles are used exclusively for Society business and may not be borrowed or used for personal purposes.

Fleet vehicles are regularly maintained to ensure their safety. Smoking is strictly prohibited in Society fleet vehicles. All Society fleet vehicles must be kept locked when not in use. Daily trip logs will be maintained to track the use of Society vehicles.

Other Travel Expenses

Accommodations

Reimbursement for hotel accommodation in the Society's geographical jurisdiction area will not normally be made. Exceptional or emergency situations may arise where personnel who reside out of town are required to remain in the agency's jurisdiction overnight – for example extended meeting or urgent and important business etc. and these may be approved at the Supervisor's discretion.

For any overnight accommodation, Supervisor approval must be secured prior to the expenditure.

Reimbursement will be made to single accommodation in a standard room and no reimbursement will be made for suites, executive floors or concierge levels. Employees are to ask for the Government accommodation rate.



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Private stays with family and friends are encouraged. A maximum of \$30.00 per night for gratuitous lodging is allowed. No receipt is required.

Reasonable tips and gratuities are reimbursable and must be documented on the expense report.

Hospitality

This is occasion when the provisions of hospitality to external parties is appropriate to facilitate Society business or is considered desirable as a matter of courtesy.

Hospitality should be work related, extended in an economical, consistent and appropriate manner that is balanced against the type and number of guests attending, the business purpose to be achieved, efficiency of operations and health and safety.

The conditions under which hospitality will be extended on behalf of the Society include, but are not limited to:

- Meetings with external business associates/contacts to further the Society's goals and mission;
- Public opening and ceremonies;
- Hosting visitors to Ontario, Canada, and members of national or international organizations with children's interests/affiliations;
- Recognition events for clients, foster parents and volunteers; and
- Public relation events.

Expenses that do not fit the definition of hospitality will not be reimbursed, such as office social events, retirement parties and holiday lunches. For greater clarity, the Society may provide meals to employees who contribute their lunch period while engaged in training or providing service to the Society and this shall not be considered hospitality.

Hospitality expenditures on alcohol should be avoided unless in exceptional circumstances with advance approval by the Executive Director. When alcohol is provided, food should also be made available.

Where hospitality events are extended by the Society and where guests include vendors or prospective vendors to the Society, Managers are responsible for obtaining prior approval to ensure that the hospitality provided does not give, or is perceived to give, preferential treatment to any vendor.



Submission Timelines

All expenses and travel related claims must be approved and submitted to the Finance Department by the end of the calendar month, following the month in which the expense was incurred.

Expenses not submitted within the required time frame are not eligible for reimbursement without a written explanation. Approval will be required from, and be at the discretion of, Senior Management.

Expense and mileage submissions that extend beyond the calendar month following the required deadline above will not be eligible for reimbursement.

The Society assumes no obligation to reimburse expenses that do not comply with this policy. In the event of an overpayment of expense claims, such overpayment is recovered

3.1 Roles and Responsibilities

The expense rules in this policy apply to any person in the Society making an expense claim, including the following:

- Board members;
- Employees;
- Consultants and contractors engaged by the Society, providing consulting or other services;
- Foster Parents; and
- Volunteers

Employees are expected to familiarize themselves with this procedure and to seek clarification from their supervisor, if required, prior to incurring any expenditure.

Supervisors are responsible for ensuring compliance with this procedure and for taking remedial action if required.

The Finance Department is responsible for spot checking calculations, verifying that supporting documentation is sufficient, pursuing staff to provide explanations for any queries, correctly processing the reimbursement, and monitoring trends for costs and claims.



4.0 REVISION HISTORY

| Policy Number | Date | Revised/Reviewed By | Description of Revision |
|----------------------|---------------|----------------------------|--------------------------------|
| FN 13.10 | March 2, 2016 | | Original |
| | Jan 30, 2020 | Krysta Parks | Update |
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