

Hospital Expense Policy Guidelines

March 2011

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1. Overview

1.1 Introduction to the Hospital Expense Policy Guidelines

The hospital sector in Ontario has long embraced its role to continuously strengthen accountability. As recent as 2010, the Ontario Hospital Association (OHA) conducted a review of existing expense policies and practices from within the hospital sector, as well as those from universities and colleges, various levels of government, and other public and private sector organizations. This thorough review informed the development of the OHA's *Hospital Expense Policy Guidelines, March 2010*, which is in line with the priorities and expectations described in Management Board of Cabinet's *Travel, Meal and Hospitality Expenses Directive*. The document was created to help hospitals further develop and update their expense policies.

In February, 2011, the Management Board of Cabinet introduced the *Broader Public Sector Expenses Directive* ([BPS Expenses Directive](#)). The BPS Expenses Directive is issued under the authority of the *Broader Public Sector Accountability Act, 2010*, is effective April 1, 2011, and covers all designated broader public sector organizations, including hospitals.

Since the release of the BPS Expenses Directive, the OHA has consulted with the Management Board of Cabinet, the Ministry of Finance, the Ministry of Health and Long-Term Care, and a number of its hospital members about updating the OHA's 2010 guidelines. And, after careful review of the BPS Expenses Directive and the *Directives to Hospitals in respect of Reporting Requirements under the BPSAA* ([BPSAA Reporting Directives for Hospitals](#)), the OHA is pleased to offer the *Hospital Expense Policy Guidelines, March 2011*.

The purpose of the 2011 *Hospital Expense Policy Guidelines* is to provide hospitals with an understanding of the new requirements on expense rules, and to provide practical policy options that are aligned with the BPS Expenses Directive.

The document focuses on three major areas:

- Personal Expenses (including meals and travel);
- Hospitality; and,
- Corporate Events.

It is important to note that while the BPS Expenses Directive does not address expenses related to corporate events, guidance in this area is offered in this document. Hospitals concerned with their compliance with the BPS Expenses Directive can choose to focus primarily on the guidelines for personal expenses and hospitalities.

Hospitals must ensure that the expense rules they currently have, or will develop, include the eight requirements identified in the BPS Expenses Directive. **These requirements are discussed in Section 2 (Requirements).**

This document also offers hospitals a set of practical policy options and examples. **Hospitals are encouraged to review the options and examples provided in Section 3 (Guidelines), and to tailor them to their own specific needs and purposes.**

The *2011 Hospital Expense Policy Guidelines* also offers hospitals:

- A set of principles to consider when developing various hospital expense policies;
- A glossary of key terms found frequently within the document which hospitals can use or modify for their organizations;
- A number of issues to consider when developing specific expense policies; and,
- Examples of what is currently included in expense policies from the OHA's review, presented as reasonable options to consider.

To ensure alignment with the BPS Expenses Directive, the expense rules guidance found in the *2011 Hospital Expense Policy Guidelines* apply to any person in the organization making an expense claim, including:

- Appointees;
- Board members;
- Elected officials;
- Employees; and,
- Consultants and contractors engaged by the organization, providing consulting or other services.

Recently, the expense policies for various public sector institutions have attracted a considerable amount of attention from the media and the public. Therefore, hospital expense policies should aim to ensure fair and equitable treatment of staff through well-defined procedures for authorized expenses. The OHA encourages hospitals to develop policies designed to be clear, defensible and administered with consistency.

This guide is designed to help hospitals develop and implement expense policies that accord with the standards expected of publicly funded institutions. However, it is important to recognize that the usefulness and applicability of any expense policy is determined, in large part, by the manner in which it is applied and enforced in the workplace. Therefore, the OHA strongly encourages hospitals to pay particular attention to the consistent and effective enforcement of expense policies in order to ensure their efficacy.

1.2 Principles

The BPS Expenses Directive is based on the four principles listed below and are presented for hospitals to consider when developing or updating their expense-related policies.

A) **Accountability**

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

B) **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.

C) **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.

D) **Fairness**

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

The following principles and statements of scope were also identified in the OHA's review of expense policies and can also be used or adapted by hospitals updating or developing their own expense policies:

- Staff should be reimbursed for reasonable and actual expenses incurred by them when on hospital business.
- Reimbursable expenses should support program objectives of the hospital.
- Expenses should be reimbursed provided that they are supported with original receipts and/or documentation.
- Expense reports that do not comply with policies and procedures may be returned to the staff member and not processed until corrected.
- Expense reports should be submitted in a timely manner. Any expenses submitted past the accepted timeframe may not be reimbursed and an explanation indicating reasons for the delay in submission should accompany the request for reimbursement.
- Staff should aim to make the most practical, economical and reasonable arrangements for travel, meals, hospitality, personal, and corporate expenses.
- Staff expenses should be approved by the appropriate supervisor (i.e. Director, Vice President, President).
- No individual should approve his or her own expenses, or that of a subordinate that has paid for travel, meal, etc., expensed to the supervisor's benefit.
- The person approving the expense report is responsible to ensure all claims are correct, reasonable and in accordance with the expense policy.

1.3 Sample Definitions

The terms below are found throughout these Guidelines. Hospitals may choose to use these definitions, or to modify some or all of them to more appropriately reflect the uniqueness of their organizations. Hospitals can also include additional terms and their definitions.

Authorization – 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 signing limit.

Business Expenses – Reasonable expenses incurred by staff in the course of performing their duties.

Business Travel – Travel required for hospital business and authorized by the appropriate level of authority.

Hospitality – The provision of food, beverage, accommodation, transportation and other amenities at the hospital’s expense to persons who are not employed by hospital.

Consultants – a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

Designated Broader Public Sector Organizations – every hospital; every school board; every university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating annual operating grants and entitlements; every approved agency designated as a children’s aid society under subsection 15 (2) of Part I of the *Child and Family Services Act*; every community care access corporation; every corporation controlled by one or more designated broader public sector organizations that exists solely or primarily for the purpose of purchasing goods or services for the designated broader public sector organization or organizations; every publicly funded organization that received public funds of 10 million dollars or more in the previous fiscal year of the Government of Ontario; and every organization that is prescribed for the purposes of this definition; (“organisme désigné du secteur parapublic”).

Office – The hospital-related regular place of work. For example, the address on a staff person’s business card or where the staff person has an office, desk, computer, telephone etc.

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

Public Funds – 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, includes money received by the school board from taxes levied under the *Education Act* for school purposes. Public funds do not include money that is paid for the provision of goods or services to the Government of Ontario or an agency of the Government of Ontario; money that is paid by the Government of Ontario or an agency of the Government of Ontario under a fee-for-service arrangement; or 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”).

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 hospital employees, credentialed staff, volunteers, faculty, Board Trustees, outsourced service staff and other individuals engaged in hospital business and who intend to receive travel and expense reimbursement under this policy.

1.4 Disclaimer

The 2011 *Hospital Expense Policy Guidelines* are intended to assist hospitals with their expense policies, and do not constitute legal advice. Some of these guidelines have broader implications for other areas such as patient safety, occupational health and safety, human resources, and finance -- each of which may in turn carry additional legal implications. Hospitals are strongly advised to consult their legal counsel when developing or updating their expense-related policies.

2. Requirements Set Out in the Broader Public Sector Expenses Directive

The BPS Expenses Directive makes it clear that organizations must “establish rules for all individuals in the organization with respect to travel, meal and hospitality expenses”. It then introduces eight new requirements which must be included in an organization’s expense rules. In reviewing the new requirements, it is clear that most (five) of the requirements apply to all travel, meal and hospitality expense policies of a hospital.

A summary of each of the eight requirements can be found below, along with additional guidance consistent with the BPS Expenses Directive.

2.1 Accountability Framework

Summary of Requirement in the BPS Expenses Directive:

- Expense rules must include an accountability framework.
- The authority for approvals must be understood by everyone.
- The CEO:
 - has the authority to establish additional rules regarding expenses, so long as they are consistent with the rules in the BPS Expenses Directive and meet specific operational needs, and
 - can modify the level of approval upward to a more senior level when authority is assigned to a manager/supervisor or contract manager.
- Managerial Discretion allows the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with the BPS Expenses Directive, such as:
 - Following rules of documentation so that the rationale is included in the claim.
 - Decisions made by approvers should be subject to good judgement and knowledge of the situation, exercised in appropriate circumstances, and comply with the principles and requirements of the BPS Expenses Directive.
 - For a situation where discretion needs to be exercised, consider how the request can stand up to the scrutiny of auditors and members of the public, and is explained and documented, fair and equitable, reasonable, and appropriate.

Additional Guidance on the Accountability Framework:

- **The accountability framework requirements apply to every guideline in Section 3.**
- Managerial Discretion is meant to provide some flexibility to those who approve expense decisions in hospitals. In these situations, the approver is advised to document in their rationale why their decision is a) reasonable and b) still compliant with the BPS Expenses Directive.
- Hospitals may wish to consider developing their accountability framework for expenses related to travel, meals and hospitality, with the following elements **for each type of expense:**

Element of the Accountability Framework	Examples and Issues to Consider
Level of approval authority	<ul style="list-style-type: none"> • Depending on the expense, the most appropriate approval may be from: <ul style="list-style-type: none"> ○ Board Chair ○ CEO ○ Vice President ○ Director ○ Manager ○ Contract Manager (for approving allowable consultant expenses) • Given the level of responsibility, and the type of expense, no approval may be required for expenses submitted by the Board Chair, CEO, Vice President, and/or others within reason.
Can the authority be delegated?	<ul style="list-style-type: none"> • If Yes, then to whom? For example, the CEO may wish to delegate some authority to the hospital Vice Presidents for expenses credited to their departments.
Are there restrictions when authority is delegated?	<ul style="list-style-type: none"> • If Yes, then what are they? Any limitations?
Are there any specific requirements for approval?	<ul style="list-style-type: none"> • Prior approval is required • Approval must be documented using standard approval form, email, etc.

- Hospitals should also consider developing similar accountability frameworks for other expense areas not covered in the BPS Expenses Directive, such as corporate events, staff parties, recognition events, and giving of gifts. All additional expense rules and policies must be consistent with the BPS Expenses Directive.

2.2 Posting

Summary of Requirement in the BPS Expenses Directive:

- Expense rules (policies) must be posted on the organization’s website so they are available to the public. They must also be in accessible formats.

Additional Guidance on Posting:

- **The posting requirements apply to every guideline in Section 3.**
- Hospitals should note that in addition to posting expense policies, hospitals are also required, under the *Broader Sector Accountability Act* to post information about expense claims on their public websites. Information on which individuals are required to post, what information, the timing, frequency and duration, are all detailed in the BPSAA Reporting Directives for Hospitals.

2.3 Alcohol

Summary of Requirement in the BPS Expenses Directive:

- Expense policies regarding alcohol should be specific to:
 - the circumstances in which alcohol expenses can be claimed and reimbursed;
 - who can claim alcohol expenses and be reimbursed;
 - the process for obtaining approval for an alcohol expense; and,
 - the process for approving a claim for reimbursement.
- The rules for government ministries, which are offered just as an example in the BPS Expenses Directive, prohibit expensing alcohol as part of travel or meal expense claims.
- Government ministries do allow expensing alcohol as part of hospitality, but as part of a “rigorous approval process set out to ensure there is a strong business case”.

Additional Guidance on Alcohol

- **The alcohol requirements apply to guidelines 3.1.4 and 3.2.2.**
- While the BPS Expenses Directive offers the rules for government ministries as an example, the BPS Expenses Directive does not restrict, nor is it intended to restrict, other organizations (including hospitals) from accepting/processing alcohol expense claims.
- Using the requirements above as a framework, hospitals should decide how they wish to treat alcohol in their expense policies based on the unique needs specific to their institution.

2.4 Hospitality

Summary of Requirement in the BPS Expenses Directive:

- Hospitality (as defined in the Expense Directive) can only be expended to those not engaged to work for:
 - Designated BPS organizations, or
 - Any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality BPS Expenses Directive.
- Functions involving only those people in the above organizations cannot be reimbursed because they are not considered hospitality functions.
- Office social events, retirement parties, holiday lunches, etc., are also not considered hospitality functions and therefore cannot be expensed as such.

Additional Guidance on Hospitality

- **The hospitality requirements apply to guidelines 3.2.1, 3.2.2, and 3.2.3.**
- The BPS Expenses Directive does not state that organizations cannot have social events, retirement parties, holiday lunches, etc., only that they cannot be considered as hospitality functions. Organizations are advised to develop separate policies for these types of functions. **See Guideline 3.3.1.**

2.5 Documentation

Summary of Requirement in the BPS Expenses Directive:

- Good record-keeping practices must be maintained for verification and audit purposes.

Additional Guidance on Documentation

- **The documentation requirements apply to every guideline in Section 3.**
- The length of record retention should be consistent with the hospital's existing record retention policies and practices.

2.6 Consultants and Other Contractors

Summary of Requirement in the BPS Expenses Directive:

- Direction must be provided in the organization's policy for any and all expense claims by consultants or contractors. The rules should set out what is an allowable expense.
- However, in no circumstances can hospitality -- incidental or food expenses -- be considered allowable expenses for consultants and contractors under an expense policy or in any contract between an organization and a consultant or contractor. Therefore, they cannot reimburse for such expenses including:
 - meals, snacks and beverages
 - gratuities
 - laundry or dry cleaning
 - valet services
 - dependents' care
 - home management
 - personal telephone calls

Additional Guidance on Consultants and Other Contractors

- **The hospitality requirements apply to guidelines 3.1.6 and 3.2.1.**
- All allowable expenses and payments should be detailed in the contact shared by the organization and the consultant or other contractor. These expenses cannot in any way include hospitality, incidental or food expenses.
- For more information about procurement and contracts, see the Broader Public Sector Procurement Directive

2.7 Individuals Making Claims (Claimants)

Summary of Requirement in the BPS Expenses Directive:

- The Expense Directive is clear in what is expected of claimants. Claimants must be required in the expense rules to:
 - obtain all appropriate approvals before incurring expenses;

- submit original, itemized receipts with all claims;
- submit claims within the timeframe specified by the organization's rules;
- if the information above is not available or is not possible, submit a written explanation with the claim to provide the approver with adequate information for decision-making;
- repay any overpayments – it is considered a debt owing to the organization; and,
- if leaving employment with an organization, submit any claims for expenses before leaving the organization.

Additional Guidance on Claimants

- **The posting requirements apply to every guideline in Section 3.**
- Hospitals may also wish to consider the following additional requirements of claimants:
 - Claimants should expect to be reimbursed for reasonable and actual expenses incurred by them when on hospital business.
 - Claimants should only submit claims for expenses that support program objectives of the hospital.
 - Claimants that submit expense reports that do not comply with policies and procedures may expect their claims to be returned and not processed until corrected.

2.8 Individuals Approving Claims (Approvers)

Summary of Requirement in the BPS Expenses Directive:

- Approvers must be prohibited from approving their own expenses.
- Expenses for a group can only be claimed by the most senior person present – expenses cannot be claimed by an individual that are incurred by his/her approver (e.g., an executive who reports to the CEO cannot submit a claim that includes the cost of the CEO's lunch even if they were at the same event, with the result that the CEO would thereby approve his/her own expenses).
- Approvers must provide approval only for expenses that were necessarily incurred in the performance of organization business.
- Approvers must provide approval only for claims that include all appropriate documentation.

Additional Guidance on Approvers

- **The posting requirements apply to every guideline in Section 3.**
- Hospitals may also wish to consider the following additional requirements of approvers:
 - Approvers should respect the expenses incurred by claimants, regardless of the amount, and ensure the process and timeframe for reimbursement is reasonable and understood by the claimant.

3. Guidelines

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.1 PERSONAL BUSINESS EXPENSES
POLICY GUIDELINE:
3.1.1 EXPENSE REIMBURSEMENT
ITEMS TO CONSIDER: <i>The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.</i>
Reimbursable business expenses should: <ul style="list-style-type: none">• Be work-related;• Be modest, appropriate and reasonable;• Strike a balance among economy, health and safety, and efficiency of operations; and,• Be submitted in a timely fashion, and in the form and manner stipulated under hospital policy.
Generally, expenses of a personal nature should not be reimbursed. Such expenses may include, but are not limited to: <ul style="list-style-type: none">• expenses resulting from unlawful conduct• traffic and parking violations incurred while driving on hospital business• recreational activities (e.g., video rentals, mini-bar food and beverages, special facilities charges, entertainment not directly related to hospital business, etc.)• personal items not required to conduct hospital business• memberships to reward programs or clubs (e.g., airline clubs)• social events that do not constitute hospitality as described in Section 3.2• alcoholic drinks, unless allowable in a detailed and rigorous alcohol policy as described in Guideline 3.1.4 or as part of hospitality as described in Guideline 3.2.2• expenses incurred due to the presence of friends or family members, unless part of hospitality as described in Section 3.2• hotel expenses incurred because of failure to cancel a reservation• credit card fees and late payment charges• additional ancillary charges such as premiums for failure to refill fuel in a rental car
EXAMPLES: <i>The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique</i>

situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

Hospitals may consider implementing any or all of the following methods of reimbursement.

1. Expense Reimbursement Form:

- Hospitals may consider developing standardized reimbursement forms for all staff. Forms may be necessary for reimbursement of expenses such as travel, meals, board expenses, etc.
- A hard copy of the form should be accompanied with original, itemized receipts.
- The claim should clearly state to whom the payment should be made.
- The claim should state the business purpose for the expenditure in an expense description column.
- If the individual seeking reimbursement incurred costs on behalf of other individuals (e.g., meals purchased on behalf of clients), the names and titles of those other individuals should be included.
- Any travel advance should be deducted from the claim.
- The form should be signed by the member of staff requesting reimbursement and his or her immediate supervisor if the total is within their authorization limit. It should include a valid accounting unit and expense account code.

2. Petty Cash:

The purpose of petty cash is to facilitate reimbursements for small departmental purchases. As an example, these are commonly for purchases up to and including \$50.00. As petty cash accounts are easily accessible for a wide variety of purposes, particular attention must be paid to ensure that they are not abused. Hospitals are strongly encouraged to require receipts for all petty cash expenses and to regularly audit their use.

3. Procurement Card Program:

Procurement cards are often used to reduce the cost of procurement of low value goods, facilitate ease of procurement, and ensure an appropriate level of control over certain purchases. A procurement card may eliminate the requirement for requisitions, purchase orders and cheques. Other important benefits of such a service are:

- no out-of-pocket expenses;
- no need to wait for reimbursements;
- streamlined and less-expensive purchasing processes; and
- opportunities to strengthen relationships between users and vendors, and potentially secure preferential rates and/or reduced transaction costs.

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.1 PERSONAL BUSINESS EXPENSES

POLICY GUIDELINE:

3.1.2 TRAVEL

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

Travel and Transportation:

- When possible, it is recommended that travel be approved in advance with the appropriate level of approval, as per the organization's authority framework. Pre-approval may be documented (e.g., email) and attached to the travel claim.
- The authority framework should include the appropriate level of approval based on the claimant's destination:
 - Within Ontario
 - Within North America
 - Outside North America (requires the highest level of approval)
- If necessary, consider policy that addresses situations requiring frequent/regular travel from situations requiring irregular/as-needed travel.
- A copy of the boarding pass or ticket for all modes of transportation should be attached to the expense report.
- Where a number of staff members are attending the same function, shared travel should be considered or required, where possible.
- The mode of transportation chosen – air, train, or car -- should be that which enables the member to attend to hospital business with the least cost to the hospital, and be consistent with the least amount of interruption to the member's regular business and personal schedules. Consideration should be taken as to the length of time away from the workplace.
- Basic economy/coach fares will be paid by the hospital. Any upgrades would be the responsibility of the member of staff.
- Travel with others (i.e. spouse), including meals and cancellation fees, are not covered and must be paid for by the staff member.
- When personal travel is combined with business travel, the staff member will be reimbursed for only the business portion of the trip at the lowest available fare. Personal travel does not include travel to or from home when travelling for business.
- In the event that travel is cancelled, any travel expenses that have been reimbursed to the staff member by the vendor, including but not limited to the cost of train or flight tickets, must be reimbursed to the hospital within thirty (30) days of such cancellation.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

1. Travel by Vehicle

- When road transportation is the most practical and economical way to travel, the order of preference should be:
 - rental vehicle when a rental vehicle is more economical than use of a personal vehicle; or,
 - personal vehicle when a personal vehicle is more economical than use of a rental vehicle.
- a) Rental Vehicles
 - Rental of compact or mid-size vehicle is encouraged and staff should be required to use car rental companies approved by the hospital where possible to ensure the most favourable rates. Consideration may be given for a car rental upgrade based on the number of passengers, weather conditions and other safety reasons. However, all luxury and sports car rentals should be expressly prohibited.
 - Collision and liability insurance offered by the car rental companies should be purchased if the hospital's insurance coverage does not cover replacement value for rental cars.
 - Rental cars must be refuelled before returning to avoid extra charges.
 - Receipts for gasoline purchases, parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.
- b) Personal Vehicles
 - Personal vehicles used on hospital 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. The hospital will not reimburse costs of collision and liability coverage.
 - For greater clarity, the hospital assumes no financial responsibility for privately owned vehicles other than paying the kilometric rate when used for hospital business. Those driving a personal vehicle on hospital business cannot make claims to the hospital for damages as a result of a collision.
 - When staff use their own vehicles for hospital business, reimbursement will be in accordance with the approved kilometre allowance. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance.
 - Sample mileage reimbursement rates from hospitals range from

\$0.40/km to \$0.54/km, with \$0.50/km the most common. (For consideration only, the reimbursement rates in the [OPS Travel Meal and Hospitality Expenses Directive](#) range from \$0.24/km to \$0.41/km. Rates vary depending on (1) where in Ontario travel occurs and (2) the total number of kilometres driven.)

- Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with expense reports.

c) Taxis

- The use of taxis by staff should be reasonable. Hospitals may wish to use a taxi chit program or to require original receipts be attached to the expense report. Examples of when taxis may be appropriate include:
 - situations requiring transportation between stations or airports and the hospital;
 - situations requiring transportation between stations or airports and a staff member's home;
 - transportation from the hospital to home well after normal work hours where other forms of transportation (including public transit) are unavailable or are determined to be unreasonable;
 - transportation home from a staff event, or an event supporting hospital business; and,
 - when it is at the discretion of a staff member's supervisor.
- Where a traveller accumulates more than 1600 km/month on a regular basis, the manager should investigate lower cost options. Where a traveller continues to use a personal vehicle, the rationale for this practice should be documented.
- Reimbursement should be provided for necessary and reasonable use of toll highways, including but not limited to Highway 407 (ETR).

2. Travel by Train

- Economy (coach) class is the recommended standard option. It is expected that members of staff will choose the most economical and direct form of transportation by train.
- An appropriate level of approval should be required for any other type of fare (e.g., business class, VIA1). Considerations for making decisions should be based on circumstances such as accommodations, length of travel, health and safety considerations, etc.
- Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.

3. Travel by Air

- Economy (coach) class is the recommended standard option. It is expected that members of staff will choose the most economical and direct form of transportation by air.
- An appropriate level of approval should be required for any other type of fare

(e.g., business class). Considerations for making decisions should be based on circumstances such as accommodations, length of travel, health and safety considerations, etc.

- It should be hospital policy to obtain maximum savings on air travel expenses within reasonable limits. Every effort should be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with necessary travel requirements.
- The original boarding pass/passes and ticket/e-ticket must be attached to the expense report for each segment of travel.
- Staff may travel by air for trips that are beyond reasonable driving distance.
- Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.1 PERSONAL BUSINESS EXPENSES

POLICY GUIDELINE:

3.1.3 MEALS

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

Business Meals (includes meals when travelling for business)

- Hospitals should have rules established for claiming and reimbursing the costs of meals. These rules should include maximum rates for reimbursement.
- Staff members are reimbursed for reasonable meal expenses, subject to approval by the claimant's manager, if expenditures are incurred while the claimant is away from his or her place of work on hospital business. When travelling on hospital business, staff may also be reimbursed for reasonable meal expenses when the claimant is required to work during or through normal meal periods.
- Original, itemized receipts must be provided with claims for reimbursement of actual meal expenses. Reimbursement must not exceed the amount actually spent (including taxes and gratuities) as validated by a receipt accompanying the claim.
- Reasonable gratuities will be reimbursed.
- No reimbursement shall be made for meals consumed at home prior to departure or on return, or for meals included in the cost of transportation, accommodation, seminars and/or conferences.
- When a staff member is authorized to pay for meals of others, expense reports must include a brief explanation of the event and a list of those in attendance. The highest ranking member of staff should pay for the meal expenditures.
- Under certain circumstances, staff may choose to have an alcoholic beverage with their meal. To include alcoholic beverages consumed during a meal as a reimbursable expense is for the hospital to decide (See Guideline 3.1.4: Alcohol).

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

The following range of options are examples of current expense policies of hospitals and other institutions:

1. The OPS Travel, Meal and Hospitality Expenses Directive limit meal reimbursements

as follows. This is offered for consideration only and hospitals are not required to follow the same rules.

Meals	Maximum Amount
Breakfast	\$8.75
Lunch	\$11.35
Dinner	\$20.00

2. Some hospital policies place a limit on reimbursements for a meal, and/or for a full-day of meal claims. For example:
 - \$60/day (\$15 for breakfast, \$15 for lunch, \$30 for dinner);
 - \$60/day with a cap of \$30 for a single meal; or
 - \$60/day with no meal cap.
3. Some hospital policies place a cap on gratuities (e.g. maximum of 15%).
4. Rates should not be considered an allowance. They are for individual meals that must be eaten to be able to submit a claim for reimbursement.
5. If hospitals choose to include meal limits or daily limits in their meal expense policies, these limits should aim to be reasonable and reflect the costs of dining in the particular region of the hospital and/or where its staff does business.
6. Hospitals may wish to distinguish between local business meal expenses and meal expenses when traveling on hospital business (e.g., for travel elsewhere in the province, country, or to the United States).

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.1 PERSONAL BUSINESS EXPENSES

POLICY GUIDELINE:

3.1.4 ALCOHOL

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

- The BPS Expenses Directive makes it clear that hospitals must have rules and policies regarding alcohol with respect to which alcohol claims can be reimbursed, who can claim alcohol expenses, and the approval process.
- Generally, costs incurred for alcoholic beverages during normal working hours should not be reimbursed. However, under certain circumstances such as special events or meals (business and/or travel), alcohol expenses may be reimbursed with the appropriate level of approval.
- If such approval is issued, the approving individual should consider placing explicit limitations on the amount that may be reimbursed for alcohol-related expenses.
- Hospitals may consider a requirement to have the invoice detailing the alcoholic purchase initialled by the person approving the expense.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

The following range of options are examples of current expense policies of hospitals and other institutions:

1. Costs incurred for alcoholic beverages are not reimbursable. If necessary, staff members are encouraged to ask the restaurant for a separate invoice when having alcohol with their meals.
2. A maximum of one (1) alcoholic drink per person per meal is generally reimbursable if consumed with the meal.
3. Consumption of alcoholic beverages during an event supporting hospital business is a reimbursable cost that must be approved by the staff member's superior, generally prior to the date of the event.

OHA HOSPITAL EXPENSE POLICY GUIDELINES

3.1 PERSONAL BUSINESS EXPENSES

POLICY GUIDELINE:

3.1.5 ACCOMMODATIONS

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

- Hospitals should establish rules addressing situations of overnight accommodations.
- Staff should use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. A standard quality room is consistent with the principle of value for money. No reimbursement will be made for suites, executive floors, or concierge levels.
- Standard tips and gratuities are reimbursable, but should be documented on the expense report.
- While travelling on hospital business, additional business expenses not otherwise covered will be reimbursed, such as computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to hospital business.
- The hospital expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

Additional Room Charges

- Staff should be responsible for all room charges and must review the hotel bill carefully to ensure all charges are correct. A detailed copy of the hotel bill must be attached to the expense report.
- Generally, staff should not be reimbursed for entertainment, laundry service, pay TV or movies, alcohol or special facility charges (e.g. fitness clubs). However, under certain circumstances, including but not limited to long-term business trips, hospitals may choose to reimburse some or all of these costs. Costs should always remain reasonable.
- Long-distance business and personal calls are reimbursed, however discretion should be used in the frequency and length. Reimbursement will be made for

reasonable costs for necessary personal calls home for each night away.

- Wherever possible, the most cost-effective method for making long-distance phone calls should be used (e.g., hospital-issued cell phones or calling cards) in order to minimize costs.

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.1 PERSONAL BUSINESS EXPENSES

POLICY GUIDELINE:

3.1.6 CONSULTANT EXPENSES

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

- Consultants are not considered staff, and therefore, should not be covered by the hospital's personal business expense policies.
- Consultants should seek reimbursement only for expenses explicitly agreed to by the consultant and the hospital and as detailed in the consultant's contract.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

- The contract between the hospital and the consultant should clearly specify any and all reimbursable expenses.
- As per the BPS Expenses Directive, in no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under an expense policy or in any contract between an organization and a consultant or contractor. Therefore, they cannot reimburse for such expenses including:
 - meals, snacks and beverages
 - gratuities
 - laundry or dry cleaning
 - valet services
 - dependents' care
 - home management
 - personal telephone calls

OHA HOSPITAL EXPENSE POLICY GUIDELINES

3.2 HOSPITALITY

POLICY GUIDELINE:

3.2.1 PROVISION OF HOSPITALITY

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

- Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at the hospital's expense to persons who are not engaged in work for the hospital.
- Hospitality expenses should only be reimbursable if a reasonable ratio of staff to persons who are not engaged in work for the hospital is demonstrable.
- Hospitality should be extended in an economical, consistent and appropriate way when it will facilitate hospital business or is considered desirable as a matter of courtesy.
- Functions that are exceptions to the above must have prior approval of the CEO or the CEO's delegate.
- Where hospitality events are extended by the hospital, and where the guests include vendors (current or prospective), managers are responsible for obtaining prior approval to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.
- As per the BPS Expenses Directive, in no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under an expense policy or in any contract between an organization and a consultant or contractor. Therefore, they cannot reimburse for such expenses including:
 - meals, snacks and beverages
 - gratuities
 - laundry or dry cleaning
 - valet services
 - dependents' care
 - home management
 - personal telephone calls

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

Hospitality may be extended on behalf of the hospital when:

- Engaging representatives of other hospitals, the government, the broader public sector, industry, public interest groups or union representatives in discussion on hospital matters;
- Sponsoring formal conferences for representatives of health service provider organizations, or for government, business or labour groups;
- Providing persons from national or international organizations and charitable organizations with an understanding and appreciation of the hospital sector or the workings of the organization;
- Honouring distinguished persons from the health care sector in recognition of exceptional public service; and
- Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.2 HOSPITALITY

POLICY GUIDELINE:

3.2.2 PROVIDING ALCOHOL AS PART OF HOSPITALITY

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

- The decision to provide alcohol as part of hospitality should be made at the appropriate senior level of authority.
- In circumstances where alcohol is approved, appropriate measures should be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

The following range of options are examples of current expense policies of hospitals and other institutions:

1. Expensing alcohol as part of hospitality should be limited to meals and receptions.
2. Hospitals may also choose not to provide alcoholic beverages or to limit the number of beverages they offer at an event.
3. Alcoholic beverages provided at events are paid for by attendees through a drink ticket system.

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.2 HOSPITALITY

POLICY GUIDELINE:

3.2.3 ACCEPTANCE OF HOSPITALITY

ITEMS TO CONSIDER:

The following item is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include this item in their expense policies.

- Acceptance of hospitality from vendors (current or prospective) may constitute a conflict of interest, and may therefore be prohibited. Managers should be responsible for ensuring that staff members are aware of their conflict of interest obligations.

EXAMPLES:

The following example is for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

- Hospitals should ensure that they avoid the appearance of impropriety or favouritism when accepting hospitality from vendors (current or prospective). Staff attendance on behalf of a hospital at various third party events, including but not limited to sporting events, entertainment, dinners or speaking engagements, must not violate the hospital's conflict of interest obligations, nor should such attendance appear to violate those obligations.

OHA HOSPITAL EXPENSE POLICY GUIDELINES

3.3 CORPORATE EVENTS

POLICY GUIDELINE:

3.3.1 STAFF EVENTS AND PARTIES

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

Although the BPS Expenses Directive does not include any mandatory requirements with respect to the areas covered under Section 3.3 Corporate Events, the Guidelines offered in this section and are aligned with the principles of BPS Expenses Directive.

Staff Christmas/Holiday Parties

- The hospital, its departments, and/or its units/teams should decide on the number of, timing, budget, and practicality of staff holiday parties.
- The hospital, its departments, and/or its units/teams may wish to annually determine the amount to be spent per staff member on a major holiday event.
- All staff event or party expenses must be reasonable.
- Events held on hospital premises, and off hospital premises must have the appropriate approval.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

Examples from current hospital policies on staff event and parties:

1. While it is recommended that hospitals have one major holiday reception each year, it is up to the hospital and its many departments, to decide on the number of, timing and practicality of such events.
2. If, in addition to an annual major holiday reception, individual departments and/or units/teams wish to hold their own holiday event and/or other social activities during the year for their staff, the costs should be covered by staff and the activities should take place during a time period that does not to disrupt the regular operations of the hospital.
3. The decision to provide alcohol at the staff event/party must have the appropriate approval and appropriate measures should be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.3 CORPORATE EVENTS

POLICY GUIDELINE:

3.3.2 STAFF RECOGNITION

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

Although the BPS Expenses Directive does not include any mandatory requirements with respect to the areas covered under Section 3.3 Corporate Events, the Guidelines offered in this section and are aligned with the principles of BPS Expenses Directive.

Recognition Event

- Recognition events, such as service milestones or retirement events, should be designed to recognize, reinforce or promote positive behaviours and performance that support corporate and/or departmental values, goals and objectives.
- Recognition events may be formal (e.g., ceremony) or informal (e.g., presentation).
- Recognition events do not necessarily include staff events or parties, such as holiday socials (as described in Policy Guideline 3.3.1: Staff Events and Parties).
- Other informal events, such as non-work-related social gatherings of staff, should not be contemplated within the scope of hospital policy.
- If alcoholic beverages are served at any recognition event, then the decision to serve alcohol must have the appropriate approval and appropriate measures should be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.
- Any form of staff recognition outlined in hospital policy has human resources implications and should be designed in conjunction with the hospital's Human Resources Department.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

1. Service Milestones

- As a formal event, a department or the hospital may choose to recognize reaching service milestones (e.g., 5, 10, 15, 20, 25, 30, 35, etc. years) through a department and/or corporate program.

2. Recognition Gift

- Depending on the type of recognition (service milestone, retirement, etc.), gifts may be offered and financed by the hospital in accordance with Policy Guideline 3.3.3: Gifts. The awarding of recognition gifts has human resources implications and should be designed in conjunction with the hospital's Human Resources Department and compliant with Canada Revenue Agency rules.
- Generally, monetary awards should not be granted to staff as part of any recognition program and/or activity.

OHA HOSPITAL EXPENSE POLICY GUIDELINES
3.3 CORPORATE EVENTS

POLICY GUIDELINE:

3.3.3 GIFTS

ITEMS TO CONSIDER:

The following list of items is offered for consideration when developing or updating expense policies concerning expense reimbursement. This is not an exhaustive list, nor are hospitals required to include these items in their expense policies.

Although the BPS Expenses Directive does not include any mandatory requirements with respect to the areas covered under Section 3.3 Corporate Events, the Guidelines offered in this section and are aligned with the principles of BPS Expenses Directive.

Gifts of Appreciation to Staff

- Gifts of appreciation may be extended to a member of staff and should be approved by the individual's supervisor in accordance with pre-established criteria or benchmarks.
- There may be a range of gifts of appreciation, depending on the type of appreciation.
- Hospitals are encouraged to:
 - Set a scale (small to large) of the different types of appreciation levels;
 - Identify who (i.e. supervisor, manager, Vice President, CEO) should approve the awarding of gifts for the different types of appreciation along the scale; and
 - Establish a maximum value for each type of appreciation gift.
- Hospitals are also encouraged to determine what should and should not be included as an appreciation gift (see examples from current hospital policies below).
- Gifts of appreciation may be extended to persons who are not staff of the hospital in exchange for pro bono services, including those provided at professional development events. Gifts must be approved by the most appropriate person. The names of the non-staff members receiving gifts and the reason for the gifts must be included as supporting documentation with the expense reimbursement claim.
- The awarding of appreciation gifts may have human resources implications and should be designed in conjunction with the hospital's Human Resources Department.
- Awarding gifts must be compliant with Canada Revenue Agency rules.
- All gifts should be appropriately documented, including the individual receiving the gift, the individual who approved the gift, the reasons for the awarding of the gift, the contents and cost of the gift itself, and any other pertinent details. Accurate records must be maintained in order to demonstrate the reasonableness and appropriateness of any gift.

EXAMPLES:

The following examples are for consideration only. In its examination, the OHA assessed a number of expense policies and consider the following to be a reasonable example of what is practised in the sector. Hospitals are encouraged to examine their own unique situations when determining appropriate and reasonable amounts or limits to include in their policy, and to consult legal counsel as needed.

- Token gifts of appreciation, valued at up to \$75, may be extended to staff and must be approved by the individual's supervisor as long as the total is within their authorization limit. Gift values above \$75 must be justified and approved by the most appropriate person.
- "Gifts" include flowers, cards, gift certificates, gift cards, etc. but may not include cash or cheques.
- Alcohol may not be given as a gift (e.g., bottles of wine or other spirits, gift certificates for the LCBO, Beer Store, wine store etc.).
- Gifts valued at up to \$75 are all inclusive (i.e. includes taxes, delivery charges, etc.).