

Title: Hospital Expense Reimbursement – Business Expense

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Chatham-Kent Health Alliance expects discretion to be applied with any expenses incurred and reserves the right to limit reimbursement to reasonable costs.

The Chatham-Kent Health Alliance *Hospital Expense Reimbursement – Business Expense* policy must be posted on the CKHA website so it is available to the public.

ACCOUNTABILITY FRAMEWORK

This section sets out the approval authority for travel, meals and hospitality expenses. The level of approval is identified and also whether the authority can be delegated.

A CEO has the authority to establish additional rules regarding expenses. Any additional rules must be consistent with those laid out in the BPS Expenses Directive and be necessary to meet specific operational needs. These rules do not replace any rules in the BPS Expenses Directive. In addition, the CEO may modify the level of approval upward to a more senior level when authority is assigned to a Manager/Supervisor or Contract Manager. Claims for expenses should be made by the most senior person in attendance, otherwise should be authorized as if the most senior person had made claim with disclosure of attendance of more senior person.

<i>Role</i>	<i>Approval Level</i>	<i>Delegation of Authority</i>
Chair of the Board	CEO	No delegation
Board Member	Chair of the Board	May delegate to the CEO
CEO	Chair of the Board	No delegation
Senior Management Team	CEO	No delegation
Directors	Senior Mgmt. Team	Delegate to another SMT member
Supervisor	Director	May delegate to a SMT member
Employee	Manager/Supervisor	May delegate to a SMT member
Consultant and Contractors	Contract Manager	May delegate to a SMT member
Volunteers	CEO/VP's/SMT	Delegate to another SMT member
Members of the Medical Staff	CEO/VP's/SMT	Delegate to another SMT member
Elected Officials (Board)	Chair of the Board	May delegate to the CEO
Appointee (Vol. committee)	Chair of the Board	May delegate to the CEO

In the case where individuals are temporarily acting in positions with approval authority, they can exercise the full authority of the position provided that they do not approve their own travel plans or expenses.

POLICY

1.0 Business Expense Reimbursement

From time to time, Chatham-Kent Health Alliance (CKHA) staff, volunteers (including Board members), physicians, consultants and contract workers may be required to attend off-site business events. Expenses incurred will be reimbursed following the guidelines of this Policy. Persons travelling on behalf of CKHA are

expected to apply good judgment when determining eligibility of expenses, applying principles that are appropriate, reasonable and necessary.

For the purpose of this policy, the term person will be used to represent staff, volunteers (including Board members), physicians and contract workers. Guidelines for consultants will be noted separately, as part of this policy (See Section 1.5).

Non-Eligible Items for Reimbursement

As a guideline, the following expenses are considered personal and; therefore, are not reimbursable:

- Alcohol (no exceptions)
- If alcoholic beverages are served (sponsored by someone outside of the hospital) at any recognition event, it should be approved by the CEO/ delegate 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.
- Use of a private sedan or limousine service, unless pre-authorized by CKHA
- Entertainment, including pay TV, movies, mini-bar expenses, cigarettes, airline head sets, magazines, newspapers, etc.
- Agency charges for changes made to flight arrangements, unless prior approval has been received from CKHA
- Laundry, dry cleaning and valet services for trips less than four days
- Costs associated with family/spouse travel
- Sports facilities and recreational expenses
- Parking violations and other expenses resulting from unlawful conduct
- Interest charges on your personal credit card used for business
- Items claimed but not accompanied by original receipts
- Items requiring pre-approval that do not have receipts attached to the pre-approval documentation will result in non-payment of items claimed
- Medical expenses incurred before, during or after travel. This includes any prescription or non-prescription medications
- Other types of expenses not shown above that are deemed unnecessary or unreasonable and that do not contribute to the purpose of the CKHA travel

1.1 Travel

Travel and Transportation

- Travel must be approved in advance by a claimant's supervisor. In the case of staff, volunteers, consultants and contract workers, this would be the CKHA formal leader to whom they are accountable. For physicians, this would be their Medical Director or Chief, or Chief of Staff. Expenses incurred by Board members, Board Committee members, the President and CEO and the Chief of Staff will be approved by the Board Chair. Pre-approval should be documented (e.g. e-mail) and attached to the travel claim.
- A copy of the boarding pass or ticket for all modes of transportation must be attached to the expense report.
- Where a number of persons are attending the same function, shared travel should be considered, and is required where possible.
- The mode of transportation chosen (air, train, car) should be that which enables the member to attend to hospital business with the least cost to the hospital, consistent with the least amount of interruption to the person's regular business and personal schedules. Consideration should be taken as to the length of time away from the workplace.
- Basic air economy/coach fares will be paid by CKHA. Upgrades will be the responsibility of the person.

- Travel with others (e.g. spouse), including meals and cancellation fees, are not covered and must be paid for by the person.
- When personal travel is combined with business travel, the person 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 travel is cancelled, any travel expenses reimbursed to the person by the vendor, including but not limited to the cost of train or flight tickets, must be reimbursed to the hospital within 30 days of the cancellations.
- Medical and Health Insurance – Traveling Outside of Canada - You are responsible for arranging appropriate out-of-country medical insurance. The cost is reimbursable. When purchasing out-of-country medical insurance, it is advised that you also purchase the option that allows for immediate payment of costs at the time of the incident (i.e., up-front payment option).

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 personal vehicle; or,
- Personal vehicle when a personal vehicle is more economical than use of a rental vehicle.

a) Rental Vehicles

- Rental of a compact or mid-size vehicle is encouraged. The person is 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. Luxury and sports car rentals are expressly prohibited.
- Collision and liability insurance offered by car rental companies are not to be purchased, as the hospitals' insurance coverage applies to vehicle rentals up to 30 days.
- Rental cars must be refuelled before return to avoid extra charges.
- Receipts for gasoline purchases, parking lot charges, and applicable bridge or highway tolls must be submitted with the expense report.

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 vehicle. The hospital will not reimburse costs of collision or 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 a person uses their own vehicle for hospital business, reimbursement will be in accordance with the approved kilometer allowance. This allowance is to cover the costs of fuel, depreciation, maintenance and insurance.
- Mileage is paid at the current rate, as noted on the CKHA Employee Expense Reimbursement Form on the Intranet listed under TransForm site-specific forms or the Transform Members website <https://www.transformssso.ca/forms#.WBy7Pf7rvcs>. Mileage must be claimed from the Alliance's Chatham or Sydenham Campus, or from the person's residence, whichever is shortest.
- Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with

expense reports.

c) Taxis

The use of taxis should be reasonable. Original receipts are to be attached to the expense report.

Examples of when taxis may be appropriate include:

- When pre-arranged transportation has not been made by CKHA; situations requiring transportation from the person's home require prior approval
- When the use of public transportation is not feasible
- When airport service is not available
- When hotel transportation (e.g. shuttle) is not available
- The use of toll highways (e.g. Highway 407 ETR), should be restricted where possible; the use of such routes could be subject to supervisor approval

Travel by Train

Persons will choose the most economical and direct form of transportation by train. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price (e.g. supersaver fares). Persons may choose VIA Business Class vs. Economy if the per diem for meals is forfeited on the travel date.

Travel by Air

When making approved travel arrangements, the hospital will cover the cost of the original air ticket and transaction fee. Thereafter, if a person wishes to make changes to their original arrangements, pre-approval must be obtained. If the change is for voluntary reasons (i.e. personal) all additional airline ticket/transaction costs will be the person's responsibility. If the change is involuntary (i.e. hospital mandated change), additional costs will be borne by the hospital.

- Persons may travel by air for trips that are beyond reasonable driving distance. Prior approval for all travel by air must be obtained and documented in writing.
- Persons will travel Economy class for all domestic and international travel unless pre-approved by their Vice President.
- Every effort will 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 tickets/e-tickets must be attached to the expense report for each segment of travel.

Should a non-electric ticket be lost or stolen, the person must report it to their supervisor immediately.

The hospital will not reimburse the cost of Frequency Flyer programs. Free tickets and upgrades from frequent flyer programs are to promote personal travel. Free tickets and vouchers received from an airline are considered personal property. CKHA will not reimburse for the value of these tickets if the person chooses to use these for business purposes.

Should a flight be cancelled, the credit remains in the name of the person flying. Credits must be logged and tracked for use on future hospital business. Should a person leave the employ of CKHA, they may purchase the credit from CKHA for personal use. If this does not occur, CKHA will be charged for the unused ticket amount as the credit will then be void. In the event an unused ticket expires prior to use by the person for a CKHA related function, the hospital will be charged for the cost of the unused ticket.

If non-refundable tickets are not going to be used, it is important the reservation be cancelled before the first flight; otherwise, the ticket may not have any residual value. While airline rules change periodically,

generally unused, non-refundable tickets may be turned in for credit toward the purchase of another ticket if the following three criteria are typically met:

- Travel must be done within 12 months;
- Travel must be on the same airline; and
- Travel must be used on the same traveller.

For cancellations that result due to the death of a family member or for a medical reason, the person must supply CKHA with appropriate documentation to enable CKHA to process the necessary claim with the airline.

Some airlines have implemented additional charges for passengers who check luggage. CKHA will reimburse charges up to one piece of luggage that are within the airline's weight and luggage restrictions. An original receipt of payment must be submitted with the expense report.

Parking

Reasonable parking expenses may be claimed when individuals use their personal vehicles or when using an authorized rental vehicle and free parking is not available. Long-term parking should be used whenever possible.

1.2 Meals

Business Meals (includes meals when traveling for business)

- Persons will be reimbursed for meal expenses, subject to approval by the claimant's supervisor, if expenditures are incurred while the claimant is away from his/her place of work on hospital business.
- 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.
- No reimbursement will be made for meals consumed at home prior to departure or upon return, or for meals included in the cost of transportation, accommodation, seminars and/or conferences.
- When a person 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 person should pay for the meal expenditure.
- Persons may not claim a per diem for meals on the day of travel if the person chooses to travel VIA Business Class.

Limits on Meals

Persons are asked to exercise consideration when purchasing meals when travelling on hospital business. An appropriate guideline to follow for meal reimbursement is:

- \$60/day (i.e. \$15 for breakfast, \$15 for lunch, \$30 for dinner). Receipts must be attached when submitting a claim for reimbursement.
- Gratuities are capped at a maximum of 15%
- CKHA will distinguish between local business meal expenses and meal expenses when travelling on hospital business

1.3 Alcohol

Costs incurred for alcoholic beverages are not reimbursable. The person must request a separate invoice from the restaurant when having alcohol with meals.

1.4 Accommodations

- Persons should use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. No reimbursement will be made for suites, executive floors or concierge levels.
- Persons are 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.
- Reimbursement will not be made for entertainment, laundry service, pay TV or movies, alcohol, special facility charges (e.g. fitness centre) or mini-bar expenses.
- Standard tips and gratuities for meals and baggage handling are reimbursable. Gratuities should be identified to the service they relate, noted on the original receipt, and documented on the expense report.
- While travelling on hospital business, additional business expenses not otherwise covered may be reimbursed such as computer access and internet connection charges, photocopying, word processing services, facsimile transmissions, rental and transportation of necessary office equipment, etc., provided the charges incurred are reasonable and related to hospital business.

Long-Distance Calls

- Wherever possible, the most cost-effective method should be used (e.g. hospital-issued devices) in order to minimize costs.
- Long-distance business and personal calls will be 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.

1.5 Consultant Expenses

Consultants can seek reimbursement only for expense explicitly agreed to by the consultant and CKHA, and as detailed in the consultant's contract. The contract between the hospital and consultant should clearly specify any and all reimbursable expenses.

The Broader Public Sector Procurement Directive provides additional information about procurement and contracts. Reimbursement for allowable expenses can be claimed and reimbursed only when the contract specifically provides for it.

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor. Therefore, they cannot claim or be reimbursed for such expenses as:

- Meals, snacks and beverages
- Gratuities
- Laundry or dry cleaning
- Valet services
- Dependent care
- Home management
- Personal telephone calls

1.6 Hospitality Expenses

Provision of Hospitality

- 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/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 the event does not give, or is not perceived to give, preferential treatment to any vendor.

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 healthcare 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.

Acceptance of Hospitality

- 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 staff are aware of the Chatham-Kent Health Alliance's conflict of interest policy.
- Hospitals should ensure 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, dinner or speaking engagements, must not violate the hospital's conflict of interest policies, nor should such attendance appear to violate those policies.

Consultants Receiving Hospitality

- Consultants may receive hospitality or take part in hospitality events so long as it is consistent with the principles of the hospital's expense policy.
- Inclusions of hospitality for consultants should be clearly outlined in the contract between the hospital and the consultant.

1.7 Corporate Events

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.

1.8 Adjusted Expense Reports

There is no discretion to depart from the principles and the mandatory requirements of the BPS Directive. All decisions should be taken very carefully.

Occasionally, Accounts Payable may adjust the amount of the reimbursement on a particular expense item. Typically this would occur when the expense item violates one of the stated policies. The individual making the claim will be notified of the adjustment and the reason.

An expense report may be adjusted up or down to accommodate the rate of exchange from U. S. dollars (USD) to Canadian. When submitting claims for USD expenses, follow one of these two formats:

- i) Provide the USD receipt and clearly indicate USD on your expense form. CKHA will convert the expense item to Canadian funds by using the rate of exchange in place on the transaction date; OR
- ii) Provide the USD receipt and clearly indicate the Canadian amount being claimed on your expense form. In this case, back-up of the exchange rate used for the conversion must be included with your claim (e.g. credit card statement copy of the US charge converted to Canadian). Otherwise, CKHA will make the conversion based on the rate of exchange that was in effect on the transaction date.

1.9 Purchasing Card Program

Purchasing cards (P-cards) are used to facilitate ease of procurement, and to ensure an appropriate level of control over certain purchases. See CKHA 'FIN-1-012 Purchasing Authority Policy' for added detail.

2.0 Reporting Requirements

Every hospital must post information about expense claims on its public website in a manner that complies with the requirements set out in the *Broader Public Sector Accountability Act, 2010* (BPSAA).

2.1 Types of Expense Claims That Must Be Posted

Expense claims made for the following types of expenses must be posted:

- Travel
 - Vehicle rental or own use (mileage)
 - Train or air travel
 - Taxi or public transportation
 - Accommodation
 - Travel incidentals (insurance, parking, tolls)
- Meal
- Hospitality

2.2 Whose Expense Claim Information Must Be Posted

Required information about expense claims made by the following individuals must be posted:

- Every member of the Board of Directors
- Chief Executive Officer/President/Administrator/Superintendent
- Every member of the hospital's Senior Management group who reports directly to the CEO/President/Administrator/Superintendent

"A member of the hospital's Senior Management group" is an individual who is employed by the hospital as an executive member of the management group of the hospital that report directly to the hospital's CEO (or equivalent). This includes the Chief Nursing Executive and Chief of Staff, if a direct reporting structure is in place.

The hospital is only required to post expense claim information about expenses claimed by the above noted individuals, where the expenses are reimbursed by the hospital using public funds. In addition, the Alliance will publicly post the expense claims for all CKHA employees and physicians.

2.3 Information About Expense Claims That Must Be Posted

The following information in respect of each travel, meal and hospitality expense claim made by an individual as noted in Item 2.2 must be posted:

- Type of expense claim
- Date on which expense was incurred
- Amount claimed
- Description

2.4 Form, Manner and Timing of Posting

For each individual noted in Item 2.2, the hospital must complete an expense claim form (see Appendix A) and post the completed form in an area on its public website that is clearly and readily accessible to the public. The required information must be posted semi-annually beginning in the 2011/12 Fiscal Year. Expenses must be posted no later than 60 days following the end of the semi-annual reporting period. Each posting must include the required information in respect of all expenses approved within the applicable period. The annual public posting cycle is as follows:

Reporting Period <i>(claimed and approved)</i>	Public Posting Date
01 April to 30 September	By 30 November
01 October to 31 March	By 31 May

REFERENCES

1. TransForm Policy AA-004, Travel and Expense Policy and Procedure, April 2011
2. OHA Hospital Expense Policy Guidelines, March 2010
3. TransForm Travel Expense Form - <http://bit.ly/1PgkYDI>
4. Directives to Hospitals in respect of Reporting Requirements under the BPSAA, April 2011

Appendix A

Posting of Expenses (Sample Template)

Name:

Title:

Reporting Period:

Date	Amount	Expense Category	Description
Apr 10 – 12, 2011	\$125	Travel – Meal	Conference
Apr 10 – 12, 2011	\$275	Travel – Accommodation	Conference
April 16, 2011	\$16	Travel – Mileage	Board Meeting

Definitions

Date When the expense was incurred

Amount Value of the approved expense

Category Type of Expense Incurred

- Travel
 - Vehicle rental or own use (mileage)
 - Train or air travel
 - Taxi or public transportation
 - Accommodation
 - Travel incidentals (insurance, parking, tolls)
- Meal
- Hospitality

Description Notes explaining the context in which the expense was incurred, or any other relevant details