



## Expense Policies and Procedures

January 31, 2008  
Revised: April 12, 2011

## 1.0 Introduction

### 1.1 Purpose

This directive is meant to assist all OFATV Executive, Directors, Alternate Directors and employees to understand the responsibilities of association business when any out-of-office business requirements are involved.

### 1.2 Application and Scope

This operating policy applies to:

- The acquisition of all business travel, hotel bookings, car rental and other work-related activities;
- Directors and employees expenses related to travel, meals and hospitality.

### 1.3 Principles

The following principles should form the basis for Executive, Director, Alternate Director, & employee travel decisions:

- Expenses associated with Directors duties should minimize costs and maximize the benefits to the organization.
- Directors should be reimbursed for legitimate business-related expenses authorized by the President and or Treasurer.
- Reimbursable expenses should support program objectives of the association.
- Directors must make the most practical and economical arrangements for travel, meals and hospitality.
- In evaluating travel options directors should consider total costs including the costs of transportation, hotels, meals, taxis, etc.
- Only a minimum of travel should be approved. Where approved, travel should directly meet program needs or needs for training and development.

### 1.4 Auditing Requirements

Reimbursements to Directors for travel and other business-related expenses are subject to examination by internal and external auditors.

- If the Federation reimburses expenses that are subsequently found not to comply with this operating policy, the Director will be required to repay such amounts.

## **Statement of Principles**

The following principles are the cornerstone of managing the reimbursement of expenses, and in achieving fair and reasonable practices among all Directors.

Travel, meal and hospitality expenses as set out in this directive will be reimbursed.

Expenses must:

- Be work-related,
- Be modest and appropriate, and
- Strike a balance among economy, health & safety, and efficiency of operations.

The Federation assumes no obligation to reimburse expenses that are not in compliance with this directive.

Claimants have an obligation to inform themselves of the requirements of this directive, to comply with these requirements, and to seek clarification from the President or Treasurer as needed.

## **Application and Scope**

This directive applies to:

- Executive, Directors, Alternate directors and employees of OFATV;
- Other persons under contract to OFATV;
- Approved business travel does not include commuting between a residence and the office.

## **Administration**

### **Non-Reimbursable Expenses**

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

- Recreational purposes (e.g. video rentals, mini-bars, etc.);
- Personal items;
- Traffic and parking violations;
- Social events that do not constitute hospitality as described below;
- Alcoholic drinks, unless part of hospitality as described below; and,
- Friends or family members, unless part of hospitality as described below.

### **Receipts**

2. Original receipts (not photocopies) must be submitted with all claims unless otherwise indicated in this directive. Credit card slips by themselves are insufficient to support a claim for reimbursement.

3. The President and Treasurer must ensure that appropriate records retention arrangements are in place for claims documentation.

### **Overpayments**

4. Overpayments, namely amounts reimbursed or paid that are not in accordance with the terms of this directive shall be recovered from the claimant.

### **Time Limit for Claims**

5. All claims must be submitted on a timely basis, within 30 days of being incurred and within 7 days of the fiscal year end in which the expense was incurred. Directors may extend this time limit using the principles to guide exceptions set out in this directive (i.e. exceptions may be made to month end of the month following the incurred expense, but will not be honored beyond that timeframe; this is to ease the burden on the bookkeeper/treasurer and not the claimant).

### **Enforcement**

6. Persons approving claims for reimbursement are responsible for monitoring compliance with this directive.

### **Guidance on Exceptions to Rules**

7. Requests for reimbursement should not be rejected solely because they arose from mistakes or misinterpretations of the requirements of this directive. Decisions whether to approve reimbursement or to require repayment must be reviewed on a case-by-case basis.

8. Principles to guide exceptions to the rules:

- Trust - use discretion and latitude for directors to act in a fair and reasonable manner.
- Flexibility-management decisions respect the duty to accommodate, respond to persons' needs and interests, and consider unforeseen circumstances.
- Stewardship--ensure consistent, fair and equitable application of the Directive giving consideration to all circumstances, while maintaining the shared responsibility for wise and prudent use of public resources.

9. Where the President decides to exercise 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 claim.

### **Travel**

#### **Persons Traveling Together**

10. In determining the number of directors traveling together in the same vehicle (plane, train or automobile), consideration should be given to business continuity needs in order to reduce the risk of a major disruption in the associations' on-going operations.

## **Advances - Travel and Other Business Expenses**

11. Prior approval by the President or Treasurer

### **Loyalty Programs**

13. Travelers may participate in loyalty programs (e.g. frequent flyer programs), provided that they select the most cost-effective mode of travel.

### **Insurance**

#### **Medical/Health Insurance**

15. Directors will not be reimbursed for the cost of privately arranged medical/health insurance for travel **within Canada** since coverage in the event of illness, injury or death is provided through government health insurance plans.

#### **Travel Accident Insurance**

16. Extra insurance may be arranged only at the traveler's own expense.

#### **Vehicle Insurance**

17. When renting a vehicle on OFATV business, Directors must make sure to obtain collision damage waiver.

18. Personal vehicles used on Federation 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 of a particular Province. Drivers must satisfy themselves whether their motor vehicle insurance coverage should include business use of their vehicles. The Federation will not reimburse costs of business use coverage or collision and liability coverage.

19. The Federation assumes no financial responsibility for privately owned vehicles other than paying the kilometer rate when used for association business. The Federation is not responsible for reimbursing deductible amounts related to insurance coverage. Those driving a personal vehicle on association business cannot make claims to the association for damages as a result of a collision.

### **Road Transportation**

20. When road transportation is the most practical and economical way to travel, the order of preference shall be:

- Personal vehicle, if a personal vehicle is more economical than use of a rental vehicle, or
- Rental vehicle, if a rental vehicle is more economical than use of a personal vehicle.

21. Bridge, ferry and highway tolls and necessary parking fees paid while driving on Federation business will be reimbursed. Receipts must be obtained and submitted wherever practicable.

22. The Canada Revenue Agency (CRA) may deem certain uses of Federation vehicles as "personal use" which will trigger a taxable benefit that must be reported on income tax returns. A trip log with beginning and ending kilometers must be maintained to ensure tracking of business use of personal vehicles.

23. Accidents when traveling on business must be reported immediately to local law enforcement authorities, the rental car agency (if applicable), the automobile insurance company (if using a personal vehicle), and the President.

### **Car Rental**

24. The size of the rental car must be the most economical and practical required for the business task and number of occupants. Luxury and sports car rentals are prohibited.

25. The rental car must be refueled wherever possible before returning it, in order to avoid higher gasoline charges imposed by the rental car agency.

### **Kilometer Reimbursement Rates for Personal Vehicle Use**

26. Rates of reimbursement are pursuant to approval by the board of directors of OFATV. The current kilometer reimbursement rate is **twenty five cents per kilometer** and must be accompanied by proof of distance using a program such as Map Quest, Google Maps, or similar online map program (Staff may differ, as spelled out in his/her contract)

27. Personal mileage claims are subject to audit by the President or Treasurer and claimants are encouraged to provide an explanation if the mileage is excessive for the known mileage for the trip

28. Travelers are strongly encouraged to rent cars for business travel instead of using their own vehicle when the total distance to be driven in one day will exceed 300 kilometers.

### **Other Road Transportation**

29. Reimbursement for taxi fares may be claimed when it is the most economical or when no other means of transportation is practical.

### **Rail Transportation**

30. Travel by rail (coach class) is permitted when this is the most practical and economical way to travel. International rail travel should be at the Canadian equivalent to coach class.

### **Air Transportation**

31. Travel by air is permitted when this is the most practical and economical way to travel. Travel must be arranged in advance; open-ended tickets are prohibited.

32. The standard is economy class. Business class seating may be permitted in exceptional circumstances and must be pre-approved.

## **Other Travel Expenses**

### **Accommodation**

33. Reimbursement for overnight accommodation within your home area (i.e. a radius of 100 km) will not normally be authorized. Exceptional or emergency situations may be considered.

34. Reimbursement will be made for single accommodation in a standard room. Reimbursement for a suite will only be made if it is less expensive to host a meeting(s) within the suite than renting a separate meeting room.

### **Gratuities**

35. Reasonable gratuities (i.e. 10 to 15 percent) for meals, hotel room services, and taxis will be reimbursed.

### **Calls to Home**

36. Reimbursement will be made for reasonable costs for necessary personal calls home for each night away. Wherever possible, the most cost-effective method should be used in order to minimize costs.

### **Additional Business Expenses**

37. While traveling on Federation business, additional business expenses not otherwise covered will be reimbursed, such as business calls, air/ rail phones, computer access charges, photocopying, word processing services, facsimile transmissions, internet connections, rental and transportation of necessary office equipment, provided the charges are incurred while conducting Federation business. Travelers should use the least expensive means of obtaining internet access while traveling.

### **Incidental Expenses**

#### **Meals**

38. Meal costs will be reimbursed that are incurred while working during or through normal meal periods or when, during a normal meal period, a person is away from home while conducting Federation business.

39. Reimbursement allowances for meals, excluding taxes and gratuities are:

- breakfast      \$10.00
- lunch            \$12.00
- dinner          \$20.00

While receipts are not required for claims at or below these allowances, claimants must provide receipts for meal expenses exceeding any other these dollar amounts.

40. No reimbursement for meal costs shall be made for meals at home prior to departure or on return, or for meals included in the cost of transportation, accommodation, seminars and/or conferences.

## **Hospitality Expenses**

41. Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at the Federation's expense to persons who are not engaged in work for the Federation. Hospitality should be extended in an economical, consistent, and appropriate way when it will facilitate Federation business or is considered desirable as a matter of courtesy.

42. Hospitality may be extended on behalf of the Federation when:

- Engaging representatives of government, industry, public interest groups or owner or rider groups or other stakeholders in discussions on Federation business matters;
- Providing persons from provincial, national or international organizations and other organizations with an understanding and appreciation of the industry and issues of importance to the Federation;
- Sponsoring conferences or meetings for representatives of governments, media, safety or stakeholder groups;

43. Acceptance of hospitality from vendors (current or prospective) by a Director may constitute a conflict of interest, and may therefore be prohibited. The President is responsible for ensuring that directors are aware of their conflict of interest obligations.

## **Costs**

44. Functions should minimize costs but be consistent with:

- The status of the guest(s);
- The number of persons attending; and,
- The business purpose to be achieved.

## **Internal Control**

### **Responsibilities of Claimants**

45. Claimants must:

- Consider alternatives to travel such as teleconferencing and, obtain approval from appropriate authority levels for travel;
- Obtain written authorization in advance. In exceptional circumstances, travel may be post-authorized;
- Request and accept the lowest fare practicable;
- Supply an itinerary to and notify the President in the event of any changes, so that travelers may be contacted in an emergency;
- In the event of changes, cancel hotel bookings prior to 6:00 p.m. on the day of arrival to avoid "no-show" charges;
- Submit all expense claims on a timely basis as outlined above;
- Become familiar with, and adhere to, the provisions of this directive; and
- Follow applicable conflict of interest rules and/or regulations

46. When submitting an expense claim, claimants must:

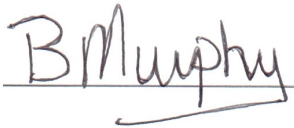
- Verify the travel and other business-related expenses;

- Provide explanations (or proof of prior approval from an appropriate spending authority) for unusual expenses;
- Attach original receipts to support expense claims;
- Provide descriptions for expenses claimed.

### **Approval Authority**

47. Those authorized to approve expense claims must:

- Ensure that expenses are consistent with the principles of this directive (work-related, modest and appropriate, and strike a balance among economy, health & safety, and efficiency of operations) and comply with Council policy;
- Determine and authorize when business travel is necessary;
- Ensure that all travel arrangements are consistent with the provisions of this directive;
- Consult with the person to ensure travel arrangements accommodate their needs.
- Ensure that expenses were necessarily incurred in the performance of Federation business;
- Ensure that appropriate receipts are provided to support expense claims, and that claims documentation is stored within the office
- Conduct regular spot checks to ensure claims comply with the requirements of this directive;
- ensure that any unusual items are explained appropriately or proof is given of prior approval; and,
- Ensure that directors are aware of all conflict of interest rules and/or regulations.



President, OFATV

April 12<sup>th</sup>, 2011

Date

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