Expense Reimbursement - Travel and Business

1. Introduction

Description

To establish guidelines and the approval authority required for business or travel expenses and related reimbursements.

Scope

This policy, unless otherwise specified under the terms of a collective agreement or Terms and Conditions of Employment, applies to all staff and any other person authorized by the Vancouver Coastal Health Authority (VCH) for expenses incurred while on VCH business.

2. Policy

2.1 Reasonableness of Expenses

For an expense to be reimbursable, it must be ordinary and necessary. To further elaborate, the expense must be reasonable, appropriate and helpful to the conduct of business. It is VCH's policy to reimburse Staff for reasonable documented expenses incurred in the performance of their duties. It is also the policy of VCH not to support extravagant expenses nor underwrite personal vacations. Use good judgment; be prudent and professional.

2.2 Minimizing Costs

It is each Staff member's responsibility to minimize costs. Expenses can often be completely avoided through better utilization of the telephone, email or other means.

2.3 Canada Revenue Agency “Declaration of Conditions of Employment”

If the Staff member elects to complete a T2200 “Declaration of Conditions of Employment” with Revenue Canada as part of their income tax submission, the Staff member is responsible for maintaining his/her own receipts and documentation to support the T2200 claim.

2.4 Travelling on VCH Business

The appropriate cost centre manager or designate must authorize all travel out of the Lower Mainland, Victoria and the VCH operating areas.

When travel is required, multiple visits should be coordinated to avoid future travel. Advance planning is a must in order to secure the lowest airfare rates. The best rates are obtained when reservations are made as far in advance as possible.
All credits, discounts or entitlement benefits earned and accumulated by Staff while travelling on VCH business shall be used wherever possible by Staff to reduce VCH travel costs.

2.5 Reimbursement Rates

Rates to be paid under this policy will be reviewed annually. Where a collective agreement reflects a rate of reimbursement different from that specified, the collective agreement rates will apply.

2.6 Submitting Expense Reimbursement Claims

The Travel Reimbursement, Mileage Claim and Cheque Requisition forms with authorized signatures (in accordance with the LMC Signing Authority policy (BA_1600)) must be accompanied by the appropriate itemized original receipts in order for payment to be processed.

Staff will follow procedures as outlined in Appendix A when submitting claims for expense reimbursement.

2.7 Responsibilities

2.7.1. Financial Services

Financial Services is responsible for reviewing reimbursement rates on an annual basis and ensuring this policy is kept up to date.

2.7.2. Staff

VCH Staff members will:

- Make attempts to minimize costs to the organization, where possible; and
- Complete the Cheque Requisition form for reimbursement of non-travel expenses.

2.8 Compliance

Failure by Staff to comply with this policy may result in disciplinary action up to and including termination of employment, services or privileges.

3. References

Tools, Forms and Guidelines

- Appendix A: Procedures
- Automobile Business Insurance Reimbursement Form
- Cheque Requisition Form
- Mileage & Parking Claim Form
- Mileage Grid

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• Travel Reimbursement Form

Related Policies

• Signing Authority, LMC (BA_1600)
• Purchasing Card (BA_1000)

Keywords

business expenses, costs, expenses, reimbursement, travel, travel expenses

Definitions

“Staff” means all employees (including management and leadership), medical staff (including physicians, midwives, dentists and Nurse Practitioners), residents, fellows and trainees, health care professionals, students, volunteers, contractors and other service providers engaged by VCH.

Questions

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Issued by:

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Title: Chief Financial Officer & VP, Systems Development & Performance
Date: October 14, 2016

Signature of issuing official

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Appendix A: Procedures

1. Approvals

All expense reimbursement claims must be approved in accordance with the LMC Signing Authority policy (BA_1600). The authorized approver is responsible for verifying that:

- Expenses are valid and are directly related to carrying out official VCH business;
- Expenses are charged to the proper accounts;
- Expenses relating to travel are within the approved budget.

2. Credit Card Usage

2.1 Corporate Credit Card

In the case where expenses are charged on corporate credit cards, the cardholder is required to comply with the LMC Signing Authority (BA_1600) and the Purchasing Card (BA_1000) policies. The cardholder is also required to prepare an Expense Report, provide original receipts and other documentation to account for the charges that appear on the credit card billing statement.

As expenses charged on the corporate credit cards are directly paid out of the VCH’s bank account, corporate credit cards should not be used for personal or private expenses. Where a cardholder, due to circumstances beyond his/her control, has used the credit card for the purchase of goods and/or services of a private nature (either in full or in part), such amount must be declared on the Corporate Credit Card Expense Report (CCCER). Upon submission of the CCCER to the Financial Services department, a personal cheque must accompany the form for the reimbursement of all private/personal expenses charged to the credit card.

2.2 Personal Credit Card

Staff without access to a corporate credit card may be required to use a personal credit card for certain travel expenses, such as air, hotel, or car rental bookings with the preferred travel agent. In the case where a personal credit card is used, itemized original receipts are still required for documentation and reimbursement.

3. Allowable Travel Expenses

In general, VCH recognizes the following as normal travel expenses:

3.1 Ground Transportation: Private Vehicles

Reimbursed at the kilometre (km) rate in effect at the time of travel, when traveling from the original work destination to another work destination. For distances between sites refer to the Mileage Grid currently in effect at the time of travel.

If an employee proceeds directly to a business location other than their regular work site and the business location is further than their regular work site, they may claim all kilometres traveled which exceed the distance between their residence and their
regular work site. Mileage reimbursements shall not exceed the cost of return economy class airfare in the case of out of town travel.

3.2 *Ground Transportation: Taxi*

Business related taxi travel would be reimbursed, including reasonable gratuities for taxi drivers. Where taxi travel is not economical, sub-compact or compact rental cars must be used.

3.3 *Ground Transportation: Car Rental*

Where taxi travel is not economical, costs for sub-compact or compact rental cars will be reimbursed. If there are three (3) or more employees traveling together or bulky or heavy equipment is being transported, a mid-size car may be rented. Car rental options such as car2go and Evo Car Share are also viable.

Car rentals should include collision damage insurance (for car rental insurance information, see section 5.1 of this appendix). Car rentals should be arranged through the preferred travel agency (see section 7 of this appendix); a credit card (personal or corporate) will still be required at pick-up time. Corporate/government or lowest attainable rates must be used whenever possible. When required, all reservations must be cancelled prior to reserved pick-up times to avoid unnecessary charges.

3.4 *Air Travel*

The lowest logical economy return airfare is to be obtained for all flights. Flights should be booked through the preferred travel agency (see section 7 of this appendix) as soon as the destination and approximate departure times are known in order to obtain early booking discounts. Alternate departure times, which would lower expenses, should be considered if business plans are not significantly affected. When required, all reservations must be cancelled prior to check in to avoid unnecessary charges and complete loss of ticket value.

The traveler must arrange for any modifications to the ticket for personal reasons and such related additional costs will be borne by the traveler. Where frequent flyer points are used for business travel, they will not be reimbursed. Employees may upgrade the air travel to business class or equivalent when the in-flight travel time, for a single travel leg, exceeds six (6) hours. All exceptions to economy class air travel must be expressly authorized by a member of the Senior Executive Team.

3.5 *Accommodations*

Reimbursement for overnight stays will be at the corporate/government or lowest attainable rate, at a hotel close to the business site. Hotel reservations should be arranged through the preferred travel agency (see section 7 of this appendix) where most economical; credit card (personal or corporate) will be required at time of reservation and checkout. In the event of date changes or cancellation, all reservations must be cancelled prior to check in to avoid unnecessary charges.
A Private Accommodation Allowance claim of $30.00 per day will be accepted without receipts to allow employees staying with friends or relatives to make some expression of gratitude.

3.6 Ferry

The full cost of ferry travel will be reimbursed. The cost of using the Reservation System or Assured Loading Tickets (ALT) is an allowable expense although these should only be used when absolutely necessary. ALTs should be obtained only when a department’s travel volume justifies the purchase. Procedures must be established within each department to safeguard these tickets and to monitor their use within any department that obtains the ALTs.

3.7 Parking

When parking while on work/business purposes, actual costs at locations other than regular work sites will be reimbursed.

3.8 Meals

Meal expenses and related taxes are reimbursed for travel that exceeds 50 km each way from the employee’s regular work site, based on either per diem rates or the submission of original receipts to support meal expenses. An expense reimbursement claiming a mix of per diem rates and original receipts on the same day is not permissible.

Where an employee chooses to claim meal expenses based on per diem rates, no receipts are required. Meal per diem allowances are as follows (in Canadian funds for both national and international travel):

<table>
<thead>
<tr>
<th>Breakfast</th>
<th>Lunch</th>
<th>Dinner</th>
<th>Incidental</th>
<th>Full Day</th>
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<tr>
<td>$12.00</td>
<td>$15.00</td>
<td>$25.00</td>
<td>$0.00</td>
<td>$52.00</td>
</tr>
</tbody>
</table>

Employees may not claim for meals received at public expense or without charge.

On the date of departure, travel status must start before:

- 7:00 a.m. to claim breakfast;
- 12:00 noon to claim lunch; and
- 6:00 p.m. to claim dinner.
On the date of return, travel status must end after:

- 7:00 a.m. to claim breakfast;
- 12:00 noon to claim lunch; and
- 6:00 p.m. to claim dinner.

### 3.9 Other

Other reasonable and out of pocket business expenses incurred as a result of having to travel for work that are reimbursable include:

- Inoculations, if required;
- Visa fees;
- Laundry and/or Dry Cleaning while traveling for business purposes;
- Communication (i.e. telephone, internet, fax) charges for business use;
- Storage; and
- Tolls.

### 4. Non-Allowable Expenses

VCH does not reimburse employees for:

- Fines for traffic violations or towing expenses;
- Fines for infraction of laws;
- Additional expenses related to traveling with a spouse or other guest;
- Babysitters;
- Barber;
- Kennel services;
- Lawn care services while away on business;
- Movies inside hotel rooms;
- Personal air travel;
- Personal vehicles, including operating and maintenance expenses e.g. vehicle repairs, fuel, oil, etc.;
- Personal entertainment;
- Alcohol or tobacco;
- Side trips for personal reasons; or
• Personal items such as clothes, toiletries, etc.

5. Insurance

5.1 Car Rental Coverage

Car rentals should include collision damage insurance. Some credit cards (corporate and personal) include a Collision Damage Waiver (CDW) policy; when a credit card is used with a CDW policy, collision damage insurance is not required.

5.2 Private Vehicle Coverage

Appropriate supervisors authorizing employees to use their private vehicles on VCH business are to ensure that the employees have or obtain adequate insurance coverage for this purpose. This coverage must include business use coverage for those employees who are required to use their private vehicle for business purposes more than six (6) days per month. The employee is responsible for purchasing insurance coverage, which is adequate for the vehicle’s use. The cost of upgrading to business use is an allowable expense per policy.

5.3 Private Vehicle Damage Reimbursement

When an employee’s private vehicle is damaged while in use on VCH business, VCH may reimburse the lesser of actual vehicle damage to repair costs on the employee’s vehicle or insurance deductible to a maximum of $500.00 per occurrence. Repairs must have been completed prior to submitting a claim. The employee shall not be entitled to reimbursement if he/she is responsible for the cause of the damage and may only be partially reimbursed if the employee is partially responsible for the damage.

5.4 Personal Travel Insurance

The cost of out-of-country personal travel insurance is reimbursable as a travel expense unless the employee is already covered for this through his/her extended medical plan. If in doubt, the employee should contact Employee Engagement to determine whether he/she has coverage.

5.5 Air Travel Insurance

Cancellation insurance is recommended for non-refundable tickets over $200.00 (including taxes). Where flights are cancelled and personal credit is achieved with an airline, as a result of cancellation insurance or through a refundable ticket, this credit must be used for business travel. Where flights are cancelled and charges are reversed on a personal credit card, as a result of cancellation insurance or through a refundable ticket, employee reimbursement must be reconciled.

6. Frequent Flyer Plans

Travel arrangements must not be selected for the benefit of personal frequent flyer plans or other customer loyalty plans where a less expensive option is available. Frequent flyer
redemptions must not be utilized if the result is an expense greater than the lowest logical economy airfare.

7. **Preferred Travel Agency**

All travel arrangements for air, hotel, and car rental should be made through the designated travel agency, North South Travel, where feasible. Two methods are available: Full Service Booking or Online Booking.

7.1. **Full Service Booking**

Full Service Booking is recommended for complex, labour-intensive bookings such as multiple destinations, international flights, or late reservations, and is also available for ticket changes, cancellations, upgrades, downgrades, refunds, and other ad hoc requests. A service fee of $50.00 + GST will be applied for air + hotel + car bookings, or $10.00 + GST when hotel or car reservations are booked without air travel. A credit card (corporate or personal) will be required. North South Travel is available weekdays 8:30 AM to 5:30 PM and Saturday 10:00 AM to 4:00 PM except on holiday weekends at 604-736-7447 in the Lower Mainland or toll free 1-800-665-1882.

7.2. **Online Booking**

Online Booking is recommended for straightforward bookings. A service fee of $10.00 + GST will be applied. A credit card (corporate or personal) will be required, and employees will be required to complete a Secure Traveler Profile during first usage, which will then be stored for future bookings. The North South Travel website is [www.northsouthtravel.com](http://www.northsouthtravel.com).

Travel arrangements made by employees DIRECTLY with the service providers due to emergency, remote location and where it is not economical to use the service of the designated travel agency, will be reimbursed PROVIDED that the employees obtain the least expensive airfares and accommodation and have observed the other VCH policies with respect to business travel.

8. **Emergency Traveller Helpline**

An emergency after hours service call centre is available for travel arrangements booked through the preferred travel agency. Travellers with emergency needs (such as cancelled flights, changes, or last minute new requests) can reach an emergency hotline outside of the travel agency’s normal business hours by calling toll-free anywhere in the world 1-888-567-9438, and entering the access code 8AH0. The helpline should only be utilized when the service required cannot wait for the next business day.

9. **Expense Reimbursement**

Expense claims must be submitted for reimbursement within thirty (30) days of the completion of travel or the incurrence of the expense. Itemized receipts or proof of purchase must accompany expense claims in order to be refunded except for those expenses where receipts are not available e.g. parking meter.
10. Non-Travel-Related Business Expenses

Non-travel-related expenses (e.g. business meetings) will be reimbursed if the business purpose of the expenses is justified and the expenses are reasonable and within the cost centre’s budget. These expenses will be reimbursed at actual cost, subject to managerial approval, provided the attendees’ name, their affiliation, the business purpose, and the original receipt is included with the Cheque Requisition.