



Exhibition Place

Item No. 12

ACTION REQUIRED

November 7, 2012

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Business/Travel Expense & Reimbursement Policy – Board Employees**

Summary:

This report proposes that the existing Business Expense Policy and Travel Expense & Reimbursement Policy be combined into one policy, as apposed to having two separate policies.

Recommendation:

It is recommended that the Board:

- (1) approve a Business/Travel Expense and Reimbursement Policy for Board employees, as outlined in the attached Appendix “A”; and**
- (2) delete the existing “Business Expense” and “Travel Expense & Reimbursement” Policies from the Human Resources Manual.**

Financial Implications:

There are no financial implications arising from the recommendation in this report.

Decision History:

The Exhibition Place 2009 – 2012 Strategic Plan had an Organizational and Staffing Goal to *Review and revise our corporate systems* and as a Strategy to support this Goal *we will complete an annual review of By-Laws, Policies and Procedures of the Board of Governors and CNEA Board of Directors.*

At its meeting of July 27, 2012, the Board approved a revised Travel Expense & Reimbursement Policy which better reflected policies adopted by City Council in October 2006, but was modified to address the particular nature of Exhibition Place.

At its meeting of November 25, 2010, the Board approved a Business Expense Policy that replicated a policy adopted by City Council in August 2007, which clearly addressed payment or reimbursement for alcohol related expenses.

Issue Background:

The merged policy will enable Board employees to access one document when processing authorization forms and claiming reimbursement of business and travel expenses.

Comments:

The Policy attached as Appendix “A” more clearly establishes for all employees the process and procedures to be followed for business/travel expenses, and reimbursement of same.

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Submitted by:

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DATE OF ISSUANCE		
November	23	2012

SUPERCEDES POLICIES DATED		
July	27	2012
November	25	2010

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Purpose

This policy:

- (a) Defines the procedure for reimbursement of expense claims incurred by Employees (permanent, temporary or contract) of the Board in unique circumstances where the expense relates to the consumption of alcohol while attending a business related function; and
- (b) Establishes rules and requirements with respect to attendance at conferences/seminars, business trips, parking fees and meterage claims for use of personal automobile, meal allowances, business meetings, professional memberships and corporate credit cards.

The Board's Financial By-Law No. 2-07, section 7, states that the Chief Executive Officer shall authorize the reimbursement of expenses, including travel, meal and entertainment expenses, incurred by the Officers, General Managers, Members and Employees of the Board in carrying out their business duties.

The corporate objective is to be consistent, fair and reasonable while encouraging responsible behaviour and strengthening transparency and accountability.

Expenses of a personal nature will not be reimbursed. These non-reimbursable expenses include, but are not limited to, expenses for:

- Traffic and parking violations;
- Family members; and
- Alcoholic drinks, unless approved under Section 1 of this policy.

Expenses that are not in compliance with this policy will not be reimbursed.

1.0 BUSINESS EXPENSES (ALCOHOL RELATED)

All Employees will only contribute to or pay for the cost of alcohol provided at events as described below, subject to pre-authorized approval of the Chief Executive Officer or his / her designate.

- (a) Hosted association/corporate meetings, sales and marketing missions, client and industry events or symposiums;
- (b) Hosted ceremonies;
- (c) Hosted national and international meetings or symposiums; and
- (d) Official visits by national and international delegations (luncheons and dinners)

1.1 Reimbursement of Alcohol Related Expense Claims by a Duly Authorized Employee

Expense claims for the consumption of alcohol incurred while conducting business may be reimbursed if claimed by an Employee who is duly authorized by the Chief Executive Officer, or his/her designate, prior to incurring alcohol related expenses, to conduct such business by the Chief Executive Officer, or his/her designate. Sound professional judgment must be exercised and Employees are expected to limit costs, taking into consideration:

- frequency of occurrence
- amount being claimed is reasonable
- expense claim can withstand public scrutiny

All expense claims must be approved by the appropriate Division Manager as pursuant to the Board's Financial By-Law.

1.2 Procedures for Alcohol Related Expenses

A "Request for Authorization Form" must be completed and approved by the appropriate Division Manager as pursuant to the Board's Financial By-Law.

1.3 Instructions for Alcohol Related Expenses

- a) Before the event/meeting/conference takes place, the authorization form must be completed and approved by the Chief Executive Officer, or his/her designate. If approved, the original form should be kept by the appropriate Division Manager until such time as the expense claim form is filled out.
- b) After the event/meeting/conference, an expense claim form must be completed and approved by the appropriate staff in accordance with the Division's delegation of financial authority with the following documentation attached to the form:
 - receipt or invoice (original signed)
 - list of description of attendees (original, signed, legibly recorded/documented)
- c) Original copies of the receipt, list of attendees, approved authorized form and related expenses and approved expense claim form must be attached to an expense claim form.

1.4 Procedures for Alcohol Related expense claims by a duly Authorized Employee

- a) Prior to incurring alcohol related expenses, the Request for Authorization Form must be completed by the appropriate Division Manager and signed/approved by the Chief Executive Officer or his/her designate. The original must be forwarded to the Accounts Payable Representative.
- b) During the meeting, the most senior duly authorized Employee present shall pay the bill and keep the original receipt. The original receipt and list of attendees must be signed by this employee.
- c) After the meeting, an expense claim form must be completed and approved by the appropriate staff in accordance with the Division's delegation of financial authority with the following documentation attached to the form:
 - original receipt (signed)
 - list of description of attendees (original, signed, legibly recorded/documented)
- d) Original copies of the receipt, list of attendees and approved expense claim form must be submitted to the Chief Financial Officer.

2.0 TRAVEL EXPENSES

2.1 Definitions

- a) **Conference** is an event sponsored by a professional or trade association involving a series of presentations or discussions related to the purposes and goals of the association or the goals and interests of the Board.

- b) **Original Itemized Receipt** is the original sales receipt or invoice indicating the amount spent, the nature of the expenditure and the recipient of the payment. A credit card slip with the payment value only does not qualify as an Original Itemized Receipt and will not be accepted. When the Original Itemized Receipt is lost or it does not contain the itemized description, the employee is required to make the effort to contact the vendor for a copy or duplicate of the original receipt/invoice, or a vendor confirmation.
- c) **Request for Authorization, Attendance at Conferences / Seminars, Training and Business Travel** is the form to be completed and approved prior to attending any Conference/Seminar / Training or Business Travel.
- d) **Seminar** is a compact program of not more than five working days, that is educational in nature but not necessarily offered through an approved academic institution or professional body, and is for an individual's professional development.
- e) **Training/Professional Development** represents education provided through an academic institution, professional body or other professional organization / person(s). It may include training on technical or management skills, presentations by a professional organization on best practices and case studies.

2.2 Conferences/Seminars and Business Travel

Business Travel – Employees Expenditure Limit / Approval Required

All travel for all Employees (permanent, temporary or contract) of the Board must be approved in advance, before expenses are incurred, as follows:

- 2.2.1 Travel for amounts of up to \$3,500.00 must be approved by the respective General Manager with final authorization by the Chief Executive Officer.
- 2.2.2 All travel for the Chief Executive Officer for amounts of up to \$3,500.00 must be approved by the Chair or, in his/her absence, the Vice-Chair.
- 2.2.3 All travel for the General Manager of the Canadian National Exhibition Association for amounts of up to \$3,500.00 must be approved by the President of the CNEA Board and in his/her absence, the Vice President, with final authorization by the Chief Executive Officer.
- 2.2.4 Travel amounts in excess of \$3,500.00 for Employees must either be approved by the Board, or if within the CNEA Program, the CNEA Board.
- 2.2.5 A Proposed Staff Travel Summary, including estimated expenses, for the calendar year must be submitted to the first meeting of the Board of Governors and CNEA Board of Directors within the respective Management Reports which Summary will include the travel associated with the sales and marketing functions at Exhibition Place. Any travel not specified in this initial Summary, must be reported, if possible, to the meeting of the respective Board in advance of the travel.

2.3 Conference/Seminar & Business Travel Approvals

Includes Registration, Travel, Accommodation & Related Expenses

- 2.3.1 Subject to paragraph 2.3.2 below, there is a limit of \$3,500.00 per annum will apply to each Employee, with the exception of the Chief Executive Officer, the Chief Financial Officer and General Manager(s).
- 2.3.2 In special cases, the limit may be exceeded by an Employee for attending meetings of organizations to provide their expertise or conduct business and in cases where it is necessary to

view or examine specific equipment or operations applicable to business operations, provided that funds are available and the expenditure is approved by the Board or CNEA Board in accordance with paragraph 2.3.1 above. Each Department General Manager(s) / CFO is responsible for maintaining a record of their Employee travel limits.

- 2.3.3 Written approval is required at least ten business days in advance of attendance at conferences, corporate events, professional development training, seminars or business travel.
- 2.3.4 All travel expenses may, with the approval of the Department General Manager / CFO, be paid directly by the Employee and reported on a Expense Report, or charged on a Corporate Credit Card held and managed by the Department General Manager / CFO. Original receipts must be attached where they are normally available. No expenses may be charged directly to the account of the Board or CNEA Board. Travel advances are available for authorized travel prior to the trip. All expense accounts must be submitted within ten (10) days of the travel being completed and be approved by the Chief Executive Officer or respective Department General.
- 2.3.5 Unspent advances must be remitted to the CFO within 10 days of return from the event on an Expense Report.
- 2.3.6 **Travel Expenses** when attending an out of town conference or business event will be allowed at the lower of, the rate of Economy Air/Train Fare but not exceeding the cost of equivalent Economy Air/Train Fare; or for meterage at the rate of (currently 46 cents) per kilometer, or other harmonized rate to be established by the City and/or Board, from time to time. The lower of three quotes must be chosen at the time of booking, for any air fare. If an alternative means of transportation (for example, bus or rented automobile) is used, then the reimbursement shall be limited to the lower of the actual cost and the economy class air/train fare rate. The original ticket receipts are required to support the claim. If the employee's own vehicle is used, then the appropriate kilometrage can be claimed, up to the amount of the economy air/train fare. Seat selection expenses related to Air/Train travel will not be reimbursed.
- 2.3.7 **Accommodation** will be provided at the single standard room rate at the conference hotel where an overnight stay is required and must be supported by an original itemized invoice from the hotel. The same rules that apply to accommodation expenses for conferences/seminars/training, will also apply to business travel.
- 2.3.8 **Per Diem Allowance** - The amount which may be claimed as a per diem for personal meals and personal sundry expenses related to an out of town conference/seminar or business trip may be up to \$65.00CAN per day in Canada, \$100.00CAN when in countries within the European Union and \$65.00US outside the country. When outside of Canada or countries of the European Union, or such other rate as established by the City or the Board, from time to time. The number of days claimed may be up to the same as the number associated with the conference/seminar or business trip in question, including the day of departure and return.

The per diem daily rate shall be pro-rated by 50% if the travel starts after or concludes before noon.

Sundry expenses include the following:

- Gratuities on Meals;
- Personal Telephone Calls;
- Entertainment (except under special circumstances and approved by the General Manager or delegate);
- Local Transportation (excluding ground transportation between accommodation and the terminal); and
- Cleaning and Laundry.

Receipts are not required to support the per diem claim. An employee who receives a per diem allowance may not claim additional personal expenses.

In circumstances where meals are provided at the event, the per diem allowance shall be reduced according to pre-set limits per component. These limits are: breakfast \$10, lunch \$15, dinner \$25 and miscellaneous \$15. If provision of a meal is known at the time of registration for the event, a declaration shall be made in the Request for Authorization form prior to its approval, and the per diem amount reduced accordingly. Where provision of a meal is not known prior to attendance, the employee must advise the appropriate management person prior to approval and reduce eligible per diems upon return to the office. Please refer to the table below for the eligible per diem amount for the various event arrangements.

Table: Eligible Per Diem Amount

Event Arrangement Category	Per Diem Amount
No Meals Provided	\$65
Breakfast Provided	\$55
Lunch Provided	\$50
Dinner Provided	\$40
Breakfast & Lunch Provided	\$40
Breakfast & Dinner Provided	\$30
Lunch & Dinner Provided	\$25
Breakfast, Lunch & Dinner Provided	\$15

- 2.3.9 **Registration Fees** will be allowed on presentation of an invoice or receipt at actual cost and shall be paid in accordance with the rates established for the event by the sponsor or organizer. The fee, where possible, should be paid in advance by the Board directly to the conference/seminar sponsor in the appropriate currency.
- 2.3.10 **Ground Transportation** expenses between home/office to departure/arrival terminal shall be reimbursed when supported by an original receipt. **Tips will not be reimbursed.**
- 2.3.11 **Personal Auto** pertains to Employees who use their personal automobile, either for day to day local business or for travel to/from a conference/seminar or business trip. The rate per kilometer claimed shall be the rate or for meterage (currently 46 cents) /kilometer, or other harmonized rate to be established by the City or the Board, from time to time.
- 2.3.12 **Meterage** claims may be made either bi-weekly each pay period, in cases of regular use, or at least monthly. All claims must exclude the distance travelled to and from work and be authorized by the Department General Managers / CFO or designate. Where Employees go directly from home to an alternate work location, the Employee shall be reimbursed only for the additional distance travelled, beyond the regular distance from home to the Employee's regular work location; Employees who use their automobiles for business shall be required to carry at least \$1 million of public liability and property damage insurance. Where a personal auto is used to attend a conference/seminar or business trip, and an overnight stay is required, the meterage claims shall be included as part of the overall request for reimbursement for the event.
- Travel mileage within the grounds of Exhibition Place will be reimbursed on a monthly basis on the submission of the prescribed Travel Form at the rate and distance as determined on an annual basis by the CFO and communicated to staff.
- 2.3.13 Staff shall file a written summary report within 10 days of the event with the Department General Manager(s) / CFO outlining the benefits derived from the conference/seminar attended.

2.3.14 The Corporate Secretary shall file a travel summary for Members of the Board with the Chief Financial Officer and retain a record for the official records, as outlined in a separate policy for the Board entitled “Travel & Expense Reimbursement Policy”.

2.3.15 Loyalty Programs – Employees travelling on Board business may participate in loyalty programs (e.g. frequent flyer or Air Miles programs) provided that they select the most cost-efficient mode of travel. Employees may retain the benefits offered for business or personal use provided that the use of the benefit results in no additional cost to the Board.

3.0 Non-Travel Related Business Expenditures

3.1 Business Meetings or Protocol Events Involving External Business Contacts

- a) Where it is deemed necessary to expend funds for business/entertainment meetings, reimbursement will be made at actual cost on presentation of an expense report and include the original itemized receipt. This report must indicate the names of all person(s) present must include a General Manager / CFO / Director and should indicate the purpose of the expenditure. In the event a General Manager / CFO / Director is unable to be present at said meeting, a written authorization must be submitted with the expense report indicating the reason for and authority granted to the Employee(s) designate responsible for attending said meeting.
- b) These expenses arising from meetings held at eating establishments or other appropriate locations may be reimbursed provided they are reasonable, necessary to promote the Board's interests and in accordance with the Conflict of Interest Policy.

The expenses relating to alcoholic beverages consumed at these events may be reimbursed in very limited unique circumstances such as – (i) Board hosted or Board-sponsored Events or official visits by national and international delegations; and (ii) a duly authorized employee conducting Board business.

- c) In the case of expenses for alcoholic beverages it has to be pre-authorized by the CEO using the authorization form. Sound professional judgment must be exercised, taking into consideration the following, frequency of occurrence, amount being claimed is reasonable and the expense claim can withstand public scrutiny

3.1.2 Business Parking

Parking fees related to business meetings shall be reimbursed for actual cost with the submission of original receipts.

3.1.3 Professional Memberships & Association Fees

Memberships and association fees may be claimed when the Employee is required to carry a professional designation for the performance of job duties or where in the opinion of the Department General Manager / CFO membership will benefit job performance. Payment shall be made directly to the corporate entity whenever possible based on an original invoice from the entity, and the annual expenditure limits are as prescribed in the budget.

3.1.4 Corporate Credit Cards

For the purposes of expense claim policy, credit cards are deemed to be an alternative to reimbursing Employees directly by cheque or through petty cash. The use of the corporate credit card must be in compliance with all purchasing policies. On an exception basis, corporate credit cards will be available only to the General Managers who demonstrate to the Chief Executive Officer a regular need for

substantial expenditures while outside of the office in the course of business. The same rigor is required when reviewing and approving credit card expenses as for reviewing and approving all claims for reimbursement. Original credit card receipts and invoices must be provided to support the reimbursement. No personal expenses shall be charged to the corporate credit card.