

# NIPISSING UNIVERSITY

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Policy Name:	Hospitality (Entertainment) and Working Meal Expense Policy
Responsible Department:	Vice-President, Finance and Administration
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Approval Authority:	President
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## **A. Purpose**

This policy establishes rules regarding the provision and reimbursement of hospitality and other working expenses by the University and complies with the [Expenses Directive issued by the Management Board of Cabinet on April 1, 2011](#), under the authority of the *Broader Public Sector Accountability Act, 2010* (Part IV – Expense Claims: Allowable Expenses). The Directive was issued in order to raise the level of accountability and transparency for designated broader public sector (BPS) organizations, contributing to greater alignment with the high standards expected in ministries and agencies of the Government of Ontario.

## **B. Scope**

This policy applies to all individuals making an expense claim to the University, including: appointees, board members, elected officials, employees and consultants and contractors engaged by the organization, providing consulting or other services. This policy is applicable to all hospitality and other working expenses indicated in this policy that are chargeable to the University's operating budgets, ancillary operations, research, trust and any other accounts or projects administered by the University.

## **C. General**

1. Employees may be required to provide hospitality to individuals that are not employed by Nipissing University. The University will reimburse faculty, staff, and other individuals for reasonable hospitality expenses associated with the various operations of the University. A "reasonable" expense is deemed to be based on sound judgement and moderation. Any expenses that do not meet the test of legal, ethical, or public perception of appropriateness will be denied. The University aims to use its resources as effectively as possible and employees must exercise care in incurring entertainment expenses.
2. For the purposes of this policy, entertainment refers to activities undertaken for the benefit of the University, such as providing food, beverage, accommodation, transportation and other

## Hospitality (Entertainment) and Working Expense Policy

amenities to prospective or visiting academic or administrative staff, visiting researchers and other individuals or groups visiting the University on business matters.

3. Only expenses relating to University business are covered by this policy. Generally, there must be a visitor to or a guest of the University as the prime justification for the hospitality expense. Faculty and staff should justify University representation of greater than three individuals attending business meetings.
4. Under 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. Reimbursement for allowable expenses can be claimed and reimbursed only when specifically provided by the contract. Therefore, they cannot claim or be reimbursed for such expenses, including:
  - a. Meals, snacks and beverages
  - b. Gratuities
  - c. Laundry or dry cleaning
  - d. Valet services
  - e. Dependent care
  - f. Home management
  - g. Personal telephone calls
5. Allowable expenses for consultants and contractors, such as travel and accommodation (not hospitality, incidentals or food), can be claimed and reimbursed only when the contract specifically provides for it. If travel for consultants and contractors is occasionally necessary and the parties expect these expenses to be paid for by the University, then these provisions need to be included in the contract.
6. All individuals submitting claims and those with approval authority (refer to [the University's Approval Authority Policy](#)) are responsible for familiarizing themselves with this policy prior to engaging in hospitality/entertainment activities and/or approving the related expenditures.

### D. Definitions

**"Employee(s)"** refers to any person, including volunteers, agents, appointees, board members, faculty, staff and organizations eligible for reimbursement.

**"Hospitality"** refers to the provision of food, beverage, accommodation, transportation or other amenities to people who are not engaged to work for the University.

**"Consultant"** refers to person or entity that under an agreement, other than employment agreement, provides expert or strategic advice and related services for consideration and decision-making usually in the form of a report. The following licensed professionals do not typically constitute consulting services: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries.

**"Contractor/Professional Service"** refers to a person or entity retained under a fee-for-service arrangement that is not an employment agreement, to perform specific tasks under a client's direction for a limited period of time.

## Hospitality (Entertainment) and Working Expense Policy

### E. Policy

#### 1. Hospitality

- i. The expenditure of University funds for functions for hospitality/entertainment must be business related and kept to a reasonable level. Hospitality should be extended in an economical, consistent, and appropriate way when it will facilitate University business. Some examples of circumstances when hospitality may be extended on behalf of the University are: student recruiting, fundraising, seeking partnerships, engaging representatives of other Universities, potential employee and recruitment activities, and honouring distinguished individuals.
- ii. Hospitality expenses must relate directly to activities that arise from the performance of duties and responsibilities of the employee incurring the expenditure. Expenses of a personal nature or for a spouse or other individual accompanying the employee will not be reimbursed unless pre-approved by the appropriate Vice-President or President and required as part of the specific event or function.
- iii. Reimbursement will be permitted provided prior approval has been obtained by the appropriate Dean or Vice-President in accordance with the [University's Approval Authority Policy](#).
- iv. Alcoholic beverages are **not** considered acceptable hospitality expenditures.
- v. The University will reimburse reasonable lunch or dinner expenses for up to a maximum of three (3) selection committee members participating in a lunch or dinner for a candidate seeking employment at Nipissing University. The University will pay for the candidate's expenses. Expenditures for meals and beverages that are deemed excessive will be questioned and the University reserves the right to only pay for what are deemed reasonable expenses. Any other committee members wishing to participate in the lunch or dinner will be responsible for paying their own expenses.
- vi. Hospitality should normally be offered only in facilities belonging to the University, unless such facilities are unavailable or it is inappropriate to use them for Hospitality purposes.
- vii. Where sponsors or funding agencies have their own hospitality expense policies and do not refer to the University's internal policies, the policies of these bodies will have precedence over the University's policies provided that the University has agreed in advance. If sponsors or funding agencies do not have specific hospitality policies or if certain matters are not included in their policies, then Nipissing University's Hospitality Expense Policy will prevail.
- viii. Employees must understand the external guidelines that must be followed prior to approving hospitality funded by external agencies. Employees should review the agency's policy guide book or terms of contract and contact the appropriate Vice-President for clarity when uncertainty surrounding the policy exists.

# Hospitality (Entertainment) and Working Expense Policy

## 2. Internal Functions

- i. Functions involving only those individuals engaged to work for the University provided solely for the benefit of employees are not considered hospitality. Internal staff events, such as retirement gatherings and holiday lunches are not considered "hospitality" for the purposes of the BPS Expenses Directive. However, any decisions about expenses should be made with due consideration for the prudent and responsible use of public funds, and for government direction on accountability and transparency. As such, advance approval from the appropriate Dean, Administrative Director or Vice-President is required for all internal staff events in accordance with the limits established in the [University's Approval Authority Policy](#).

## 3. Working Meals

- i. In certain rare situations, working meals may be the only time that employees can assemble to discuss University business. To qualify for reimbursement, a working meal must be called specifically for the purpose of discussing University business and must be of sufficient duration (i.e. in excess of 2 hours) for the provision of food and beverages to be considered appropriate. Decisions to hold such meetings where food and refreshments are served shall be made with due consideration for the prudent and responsible use of public funds, and for government direction on accountability and transparency. Attendance at these meetings shall be limited to those that can be expected to contribute to the meeting. The University will **not** reimburse a claim for alcohol expenses.

## 4. Alcoholic Beverages

- i. In rare situations such as a University wide function or event, alcoholic beverages are considered to be an acceptable expenditure when **pre-approval** has been obtained from the appropriate Vice-President or President. Consumption should be limited to a nominal or moderate amount and food should always be served when alcohol is available.

## 5. Reimbursement and Approval of Expenditures for Hospitality, Internal Functions and Working Meals

- i. Expenses must be paid for by the most senior University person in attendance when other Nipissing University employees are present. Expenses cannot be claimed by an individual that are incurred by his/her approver.
- ii. While employees are personally responsible for all charges incurred, the University will reimburse employees for all monies owing upon the timely submission of the approved [Statement of Expense Form](#).
- iii. Summary of responsibilities of employees submitting an expense claim:
  - a. Obtain prior approval from the appropriate Dean or Vice-President in accordance with the approval limits in the University's Approval Authority Policy.
  - b. Retain appropriate original itemized receipts to support expenditures.

## Hospitality (Entertainment) and Working Expense Policy

- c. Prepare a [Statement of Expense Form](#) detailing the purpose of the event/meeting, names of the individuals in attendance, and an itemized receipt(s), showing the breakdown of food, beverages, and taxes. The Statement of Expense Form must be approved by the appropriate Dean or Vice-President based on the approval limits specified in the [University's Approval Authority Policy](#) and forward to the Accounts Payable Department within 10 working days of the event.
  - d. Any overpayments must be repaid to the University.
  - e. If an employee is leaving employment with the University, all expense claims must be submitted prior to leaving the University.
- iv. The University will not reimburse expenses that are older than **6 months**.
- v. Reimbursement of expenses does not in itself constitute final approval and all expenses statements are subject to audit and subsequent adjustment if necessary.
- vi. The individual approving the expense statement is responsible for ensuring that the expenses are for University purposes, include sufficient supporting documentation and comply with this policy.
- vii. Approvers are accountable for their decisions, which should be subject to:
  - a. Subject to good judgement and knowledge of the situation;
  - b. Exercised in appropriate circumstances; and
  - c. Comply with the principles and mandatory requirements set out in the BPS Expenses Directive and this policy.
- viii. Individuals with approval authority (see [University's Approval Authority Policy](#)) are prohibited from approving their own expenses.
- ix. All employees will be reimbursed in Canadian funds in amounts equivalent to the actual expenses incurred. Expenses must be listed on the Statement of Expense Form in the currency that was used for actual expenditures. Employees will be reimbursed for foreign transactions based on a copy of their credit card statement which includes the expenses; alternately, they may provide a receipt from the Banking Institution where the Foreign Currency was purchased. In the absence of Exchange Rate Documentation, the University will apply the average daily Bank of Canada Exchange Rate which was in effect at the time the expense was incurred. University accounts will be charged in equivalent Canadian dollars.

Inquiries regarding the interpretation, practices and procedures to be following in administering matters relating to this policy should be directed to the Vice-President, Finance and Administration or the Director of Finance.

The Vice President, Finance and Administration, shall review this policy every three years to determine whether amendments are necessary.