



Medicine Hat College Policy TRAVEL AND EXPENSES

Policy #:	FN-01
Policy Authority:	Director, Financial Services
Executive Sponsor:	Vice-President, Administration and Finance
Approved by:	President
Effective Date:	February 15, 2018
Next Mandatory Review Date:	February 15, 2023
Frequency of Review:	every 5 years

1. POLICY OBJECTIVE

The purpose of this policy is to set standards for planning and arranging necessary travel to conduct authorized college business and the reimbursement of related expenses.

2. POLICY SCOPE

The policy applies to any employee, board member, student or other individual who incurs expenses while conducting business on behalf of, or representing Medicine Hat College (MHC).

It encompasses all expenses related to employee travel, professional development activities and other related business expenses.

Contractors' travel expenses are reimbursed as stated in each service contract and are not guided by this policy.

3. BACKGROUND INFORMATION

MHC recognizes that its employees may be required to travel outside their normal workplace in order to perform MHC duties or business. It is the responsibility of every claimant to utilize the most practical and economical services when planning and incurring travel commitments.

4. DEFINITIONS

- **Domestic Travel:** travel to all Canadian destinations and for which the rates set out in Appendix B shall apply.
- **Eligible Travel:** movement on authorized business of the college from one's normal place of employment to another destination, and return from there to one's normal place of employment. Includes professional development related travel for employees, that is paid from MHC funds or involving MHC vehicles for transportation. It specifically excludes commuting between one's home and regular place of employment.

- **Hospitality Allowance:** when an employee makes private arrangements for accommodation (friends or family), a per night allowance is given.
- **Itemized Receipt:** a receipt indicating the place and date of purchase as well as an itemized breakdown of purchases and applicable GST number.
- **Mid-Range Hotel:** comfortable hotel with the style and amenities associated with a medium price range establishment, relative to the geographical location.
- **Other International Destinations:** all destinations other than the U.S and Canada, and for which the rates are set out in Appendix C.
- **Overnight Incidental:** intended to cover such expenses as luggage delivery, room service, concierge, laundry, dry cleaning, tips etc.
- **Per Diem:** a maximum amount that may be claimed without receipts or paid invoices. All per diems shall be claimed and will be paid in Canadian funds and include any gratuity.
- **Preferred Seating:** an advance seating option providing additional comfort and legroom that is not regular seat selection.
- **Premium Hotel:** high end, luxury hotel in the premium price range, relative to the geographical location.
- **Prior Authorization:** can come in the form of a verbal authorization, in writing, or via email.
- **Reasonable Length:** is considered to reflect conservation, good judgment, due diligence, and is defensible to an impartial observer.
- **Signing Authority:** authority delegated by the Board of Governors of MHC through the President of MHC to organizational positions appointing them as agents of the college to perform transactions and execute contracts.
- **United States Travel:** travel to all American destinations and for which the rates for meals and incidentals shall be the rates set out in Appendix B, but shall be in US dollars rather than Canadian.

5. PRINCIPLES

- 5.1 This policy acknowledges the college's status as a publically funded institution and takes into consideration that associated level of public accountability related to all expenditure activities of the institution. Managers/supervisors should consider whether the request is able to stand scrutiny by the auditors and members of the public, is properly explained and documented, reasonable, and appropriate.

- 5.2 This policy creates a process whereby the claimant and those with approval authority have a clear understanding of their respective accountabilities.
- 5.3 This policy will maximize the ease and efficiency in processing reimbursement claims for both the employee and the employer.
- 5.4 Original itemized receipts are required for reimbursement and must be provided for all travel expenses not covered by the Rate Schedule – Appendix B. Credit or debit card receipts are not considered itemized receipts. (Where the traveler certifies that the receipt was lost, accidentally destroyed, or unobtainable, for all expenses in excess of \$10.00, a personal declaration may replace the receipt). Refer to the Lost Receipt Declaration form (Appendix D) for further details.
- 5.5 All claims must be submitted to Financial Services within 30 days of completion of travel or the expense being incurred. Claims that are six months or older will not be processed. (Note: all claims must be submitted in line with applicable year-end deadlines).
- 5.6 The employee must inform their manager/supervisor of any changes to travel plans including itinerary changes and or/flight cancellations and make appropriate alternative arrangements.

6. GUIDELINES

6.1 Transportation Mode

The selection of the mode of transportation will be based on cost, duration, convenience, safety and practicality.

If the costs associated with any travel exceed the cost of alternative methods of travel then the college will only reimburse the employee up to the level of the cheaper mode of travel. However this provision may be waived in certain circumstances with prior supervisor approval.

6.1.1 Air Travel

- (a) Air travel will be reimbursed at actual costs.
- (b) Advanced bookings for reduced fares should be arranged whenever possible.
- (c) The lowest available airfares shall be bought (with a balance between direct routes and the dollar amount to be spent), unless otherwise permitted under this section:
 - Under extraordinary circumstances, the length of time in travel followed with work related obligations immediately upon arrival may justify a request for air travel that is not the lowest available fare.
 - If a medical condition necessitates an upgraded travel class and a supporting physician's note is provided prior to booking.
 - The higher fare cannot exceed the lowest available airfare by three times.
 - Approval for airfares of this nature is required in advance from the manager/supervisor, the President or the Chair of the Board of Governors (whichever is appropriate) and the Vice-President, Administration and Finance.

- (d) Regular advanced seat selection will be reimbursable. For flights in excess of six hours duration, the employee will be given the option of purchasing preferred seating (bulkhead, exit rows, seats with additional leg-room). Please note that to be eligible, the flight must be in excess of six hours which does not include time spent in transit, layovers etc. This does not include upgraded travel class.
- (e) First checked bag will be covered if the airline has mandatory baggage charges. (Excess baggage will be covered if transporting college material).

6.1.2 Vehicle Travel

There are three options available for vehicle travel in the following order of preference:

6.1.2.1 Car Rentals

- (a) Rental cars will be non-luxury and of standard, compact, or sub-compact size. Groups of more than four travelers may rent a larger vehicle.
- (b) The college carries an insurance policy which covers liability and collision for rental vehicles. Therefore employees are advised when renting vehicles for college business in Canada or the U.S. to rent the vehicle in the college's name and waive the liability and collision insurance. However, employees must elect the glass coverage insurance option at the time of hire.

6.1.2.2 College Vehicles

- (a) College owned vehicles may be available. Arrangements can be made through Facility Operations.
- (b) Employees may claim for recovery of direct fuel costs, if incurred, as long as gas receipts are submitted with the claim.
- (c) For more information regarding the use of college vehicles, please refer to Policy 3.8 – Vehicle Use for College Business.

6.1.2.3 Personal Vehicles

- (a) Employees are responsible for ensuring that their personal vehicle insurance covers them for business use. The college will not pay the cost of additional business travel insurance if an additional premium is charged by the employee's insurance company or any liability or insurance claims associated with the personal vehicle.
- (b) The maximum reimbursement for actual distance traveled shall be at the rates outlined in the Rate Schedule – Appendix B.
- (c) For the purpose of mileage reimbursement, it is deemed that the place of departure and return is the employee's normal place of employment.

6.1.3 Accidents

In the case of an accident in either college or rental vehicles, the respective department is responsible for any amount of deductible under the policy.

6.2 Personal Travel Combined with Business Travel

When personal travel is combined with business travel, the employee will be reimbursed only for the business portion of the trip at the lowest available fare.

Where the allocation of business versus personal travel is not clearly evident, e.g. a multi-destination airline ticket where one or more of the destinations is for personal travel, then an airline quote for the “business portion only”, taken at the same time as the actual airline booking, must be provided to the manager/supervisor. The airfare quote for the business portion of the trip will be the reimbursable amount, if this amount is lower.

Example:

An employee plans to attend a conference in Toronto and, at the end of the conference, fly to Vancouver for some personal time off. When booking the travel arrangements, the employee will

- (i) obtain a quote for the Medicine Hat - Toronto return flight. This is the “business” portion of the trip and the portion that is reimbursable.
- (ii) book and provide a receipt for the travel arrangements for the Medicine Hat - Toronto - Vancouver - Medicine Hat flight segments.

When submitting the request for reimbursement, both the quote (i) and the receipt (ii) are to be submitted together.

It is the responsibility of the manager/supervisor to ensure that the quote and the actual invoice are comparable and represent the same booking conditions i.e. both amounts were obtained on the same day etc.

Travel arrangements where personal travel is combined with business travel must have prior approval before booking the travel.

6.3 Sundry Transportation Expenses

Expenses such as parking, road tolls, taxis, airport buses and public transportation are reimbursable subject to presentation of receipts. Sundry transportation expenses for domestic and U.S. travel are outlined in Appendix B and for international travel in Appendix C.

6.4 Accommodation Expenses

6.4.1 Hotel and Motel

- (a) Accommodation is provided for business travel where an overnight stay is involved in the approved travel.
- (b) The standard for accommodation, with the exception of conference hotels (within reason), is a standard room at a mid-range facility. If premium accommodation (either hotel or room) is booked the college reserves the right to reduce the claim to a rate comparable to the mid-range facility available in the location in that time period.
- (c) Reimbursable hotel and motel expenses include the cost of the room, and applicable taxes only. Valet parking will only be approved where it is a mandatory requirement of the hotel.
- (d) Original itemized receipts will be required for reimbursement.
- (e) It is the employee’s responsibility to provide timely cancellation notice when and where appropriate. The employee will be responsible for any costs incurred if they fail to give proper notice of cancellation, or if cancellation is for a non-work related reason. Cancellation due to illness will be acceptable.

6.4.2 Hospitality Allowance

- (a) Receipts are not required to claim this allowance. Refer to Appendix B for the per night rate.

6.4.3 Overnight Incidental

- (a) Will be permitted for each night a college employee is away from their home community on college business. Refer to Appendix B for rates.
- (b) Receipts are not required to claim this allowance.

6.4.4 Internet and Connectivity

Internet connectivity in hotels, airplanes and other public places is reimbursable when used primarily for the purpose of conducting college business.

6.5 Meal Expenses

- (a) For each meal that is required while away from home on college business, the employee will claim a per diem, with no requirement to provide receipts. [See point (f) for possible exceptions]. If the employee is **NOT** on college business or **NOT** away from home, no meal allowance claim is permitted.
- (b) To be eligible to claim meal expenses, return travel must be equal to or greater than 100km.
- (c) Meal per diems will be paid based on the following schedule:

	<u>Departure before or at</u>	<u>Return at or after</u>
Breakfast	7:30am	9:00am
Lunch	12:00pm	1:30pm
Dinner	5:00pm	6:30pm

- (d) Refer to Appendix B for rates which include tips and taxes and Appendix C for international travel.
- (e) An employee may NOT claim a meal allowance for meals included in registration fees for conferences, meetings or airfare, or if the meal is paid for by a third party (another institution or business associate).
- (f) If an employee has been diagnosed with a medical condition with dietary restrictions that require them to eat special meals or eat more than the usual three meals per day, they may claim (reasonable) actual meal expenses using original itemized receipts rather than the per diem rates. A medical note, which only needs to indicate the medical restrictions, will be held on file in Human Resources. (If a determination of reasonableness is required, the Vice-President, Administration and Finance will make the decision).
- (g) Meal expenses incurred locally are not reimbursed unless incurred while hosting and in accordance with Policy 4.13 - Hosting Expenses policy.
- (h) Alcohol is not reimbursable as part of a travel or meal expense, other than as stipulated in Policy 4.13 - Hosting Expenses policy.
- (i) Where meals or beverages, while travelling for college business purposes, are purchased for the purpose of hospitality, hosting or community relations, the provision Policy 4.13 - Hosting Expenses policy will apply.

- (j) Meal claims cannot be submitted before travel takes place unless otherwise approved under the Expense Advance to Employees policy (4.15).

6.6 Tips/Gratuities for Meals and Ground Transportation

Tips/gratuities are a reimbursable expense and should be appropriate to the location, service level and local protocol and are never to exceed the rate shown in Appendix B, of the total bill.

6.7 Passport and Travel Visas

Passports and the costs associated with them are the responsibility of the employee. Travel visas and the costs associated with them are the responsibility of the college.

6.8 Inter-Community Travel

When a personal vehicle is used to travel within the community on college business, the college will reimburse for actual distance travelled at the rates outlined in Appendix B.

6.9 Travel Advances

Please refer to Policy 4.15 – Expense Advance to Employees.

6.10 International Travel Expenses

For further information regarding international travel other than what is outlined in Appendix C, please refer to Policy 4.16 – International Travel.

6.11 Travel Incentive Programs

Employees travelling on college business can join loyalty programs and retain points earned for personal use, subject to the following terms and conditions:

- (a) There are no additional costs to the college.
- (b) Employees cannot select one carrier versus another to obtain points if the result is a higher fare.
- (c) MHC will not reimburse employees for the value of travel vouchers or incentive points used to pay for business travel.
- (d) College business paid in part or full by the converted points is subject to this policy.
- (e) It is the personal responsibility of the individual employee to determine if they are required to declare a taxable benefit on their income tax return.

6.12 Ineligible Expenses

The college has the sole right to determine eligible expenses. The following expenses (including but not limited to) will not be reimbursed:

- air travel cancellation insurance;
- personal grooming expenses and services (barbers or hairdressers);
- car washes;
- costs resulting from failure to cancel a guaranteed reservation;
- medical bills, prescriptions etc;
- toiletry articles;
- movie rentals;
- traffic and parking violations;
- travel claims without appropriate documentation or receipts (unless Lost Receipt Declaration is provided);

- fees for preferred seating for flights less than 6 hours;
- excess baggage more than one bag unless transporting college material in the excess bag;
- personal internet and connectivity charges;
- alcoholic beverages;
- any expense that may be perceived by the public and the auditors as unnecessary, excessive, unreasonable, unjustifiable or not properly documented; and
- other items not explicitly covered by the travel policy.

If any ineligible expenses are paid for using college resources, the employee that incurred the ineligible expense will be asked to reimburse the college for that ineligible expense.

7. RESPONSIBILITIES

7.1 **Signing Authorities** are responsible for

- (a) ensuring completion of all relevant forms,
- (b) providing authorization in accordance with the requirements of the policy, and
- (c) ensuring the claim, in its entirety, meets the test of reasonability.

7.2 **Vice-President, Administration and Finance** is responsible for making a final and binding decision in the event where a determination of reasonableness is required.

8. RELATED POLICIES

- 3.8: Vehicle Use for College Business
- 4.13: Hosting Expenses
- 4.15: Expense Advance to Employees
- 4.16: International Travel
- 4.18: Disclosure of Travel and Expenses

9. RELATED PROCEDURES

PR-FN-01-01: Travel and Expenses

10. RELATED INFORMATION

- Appendix A – Travel Claim
- Appendix B – Rate Schedule (Domestic and US)
- Appendix C – Rate Schedule (International)
- Appendix D – Lost Receipt Declaration

ORIGINAL COPY SIGNED

Denise Henning
President and CEO

Date: February 15, 2018

ORIGINAL COPY SIGNED

Wayne Resch
Vice-President, Administration and
Finance

Date: February 15, 2018

DOCUMENT HISTORY

February 2018 Revised policy approved