Policy 20 **EXPENSE REPORTS**

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OVERVIEW

20.1 Scope

This policy applies to all corporate credit card and cash expense reports prepared and submitted by employees of Tourism Toronto.

20.2 Conditions

All business-related corporate credit card and out-of-pocket expenses incurred on behalf of Tourism Toronto are to be recorded and submitted by individual employees in an expense report.

20.3 Types of expense reports

There are two types of expense reports: (1) for purchases made using the corporate credit card; and (2) for purchases made using cash (including, for the purpose of this policy, personal credit card purchases). Both types of expense forms are accessible on the Intranet.

GENERAL PRINCIPLES

20.4 Preparation

Employees should prepare their own expense reports and minimize the delegation of this task.

20.5 Clarity and completeness

Descriptions should be as detailed and specific as possible and readily understood by the uninvolved reader.

20.6 Listing of individual transactions

Multiple items/transactions should not be combined in the same row. All purchases should be listed separately.

20.7 Taping receipts

All receipts accompanying expense reports must be taped onto letter-sized paper rather than stapled, clipped or otherwise attached.

20.8 Employees only

Only employees may sign and submit expense reports.

20.9 Consultants and contractors

Any work agreement with an outside consultant or contractor must stipulate what types of disbursements/expenses that consultant or contractor may claim. Under no circumstances may such disbursements/expenses include hospitality, incidentals or food-related items (e.g., meals and snacks, gratuities, personal telephone calls).

Consultants and contractors must submit expenses via invoice.

20.10 Receipt requirement

Expensed purchases will be reimbursed only if accompanied by original, itemized receipts.

Claims determined not to be chargeable/reimbursable will be considered personal expenses and must be repaid by the employee via personal cheque or will be charged via payroll deduction at the end of the month following the month in which the expense report was submitted. Repayment via cash is not permissible.

When unsure whether a specific purchase will be considered business-related, employees should avoid making said purchase and/or seek manager pre-approval.

20.10.1 Exception - No receipt available

When it is not possible to obtain a receipt for a certain expense (e.g., tips for doormen or chambermaids), the employee must include, on the expense report cover page, an explanation as to why no receipt was obtainable (if not self-evident).

20.10.2 Exception – Missing receipts for corporate credit card purchases

For charges appearing on an employee's credit card statement but not accompanied by a proper receipt, consideration may be given for up to two such occurrences, totalling no more than \$20.00, per expense report.

20.11 Foreign currency charges

Any foreign currency charges should be indicated explicitly on expense reports, and the associated business purpose should be described.

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20.12 Prizes

If any employee is including purchases of contest prizes on an expense report, they must:

- (a) indicate the name of the recipient and the event with which the prize is associated; and
- (b) attach to the expense report a copy of any relevant signed release(s)

20.13 Gifts

If business-related gifts (e.g., gift certificates, personal apparel) for clients, members, etc. are included in an expense report, the employee must indicate the recipient's name and/or the type of event associated with the gift.

20.14 Identifying business-related assets

If an employee is expensing an asset for business-related use (e.g., Bluetooth device) that may be perceived as a personal item, the employee must indicate (1) what it's for, (2) who owns it, and (3) where it resides.

20.15 IT purchases

Employees other than only the Information Services Manager are permitted to make IT-related purchases only if they are under \$100. Such expenditures* must be initialled by the Information Services Manager on the employee's expense report before the expense report is submitted.

*Includes charges for BlackBerries or other mobile communication devices

20.16 Functions involving only Tourism Toronto employees

Business functions/activities involving only Tourism Toronto staff (potentially including other Broader Public Sector representatives*) are not considered hospitality and therefore hospitality costs (including food and alcohol) are not chargeable/reimbursable.

Business functions/activities involving Tourism Toronto staff (potentially including other Broad Public Sector representatives*) plus representatives of <u>non-Broader Public Broader Public Sector entities</u> (e.g., clients) are considered hospitality and therefore hospitality costs (including food and alcohol) are chargeable/reimbursable.

If in doubt whether a potential expenditure is chargeable/reimbursable, employees should ask their manager.

*See Appendix A for complete list of Broader Public Sector organizations/bodies.

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	Business Function/Activity¹ Chargeable/Reimbursable by TT Staff²			
	No	n-hospitality	Hospitality ³	
	Single TT Staff	TT (+BPS ⁴) Staff	TT (+BPS ⁴) + Non-BPS Staff	
	1 person	>1 p	person	
Alcohol	No	No	Yes	
Food + Hospitality	No⁵	No ⁶	Yes	

¹ Non-Business Function/Activity = Primary purpose is social (not business) and is <u>not</u> chargeable/reimbursable (e.g., office social events, staff luncheons, going-away party, etc.)

20.17 Alcohol Authorization Form

When hosting/coordinating an event that requires a PO (i.e., cost is over \$2,500) and wanting to include alcohol, employees must complete and submit for approval the Alcohol Authorization Form, shown in Appendix B and available on the corporate Intranet at Quick Links/Forms and Templates/Procurement Forms and Templates.

20.18 Rejected expense reports

If an expense report is submitted with incomplete or insufficient information, it will be returned by Finance to the employee with the Notice of Incomplete Submission (NIS) Form (see Appendix B) attached indicating the missing information. The employee will then be responsible for filling in the missing information and resubmitting. The date the expense report is properly completed and submitted will be considered the date of submission.

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² Staff = Employees, board members, appointees, elected officials, consultants, contractors, etc., but not suppliers/vendors

³ Hospitality = Food, beverages (including alcohol), accommodation, transportation, and other amenities (undefined) provided to non-BPS clients, members, vendors, partners, etc.

⁴BPS = Broader Public Sector (see Policy 20, Appendix A for full list of BPS organizations)

⁵ Exceptions: (i) non-local business travel, (ii) overtime >4 hours (non-exempt employees) or preapproved (exempt employees), (iii) on call during a TT-sponsored event, or (iv) researching prospective meal and/or entertainment venue.

⁶Exception: Same as #5, except separate cheques for each individual TT staff

20.19 Exiting employees

Exiting employees must submit any outstanding expense claims prior to leaving the organization.

20.20 Employees on extended leave

Employees on any significant period of leave or absence must submit any outstanding expense claims.

CORPORATE CREDIT CARD EXPENSE REPORTS

20.21 Preparation and submission

20.21.1 Preparation and submission of expense reports

To submit expense reports for corporate credit card purchases, employees should follow the steps outlined on the Instructions tab of the expense report form.

20.21.2 Signatures and approvals

Expense reports must be:

- a. signed by the employee, and
- b. approved by their VP.

The expense report must then submitted to Finance, where it will be reviewed and approved by:

- Accounts Payable;
- Director of Finance and Controller;
- Chief Financial Officer; and
- Chief Executive Officer.

Approvers will be held accountable for any expense reports they sign. It is expected that they have thoroughly reviewed the report and are satisfied that receipts are included and descriptions are accurate.

20.21.2.1 CEO's and CEO's executive assistant's expense reports

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The CEO's and CEO's executive assistant's expense reports are reviewed and approved by:

- Accounts Payable;
- Director of Finance and Controller;
- · Chief Financial Officer; and
- Chair of the Board of Directors.

20.21.2.2 Board members' expense reports

Board members' expense reports are reviewed and approved by:

- Accounts Payable;
- Director of Finance and Controller;
- Chief Financial Officer;
- Chief Executive Officer;
- Chair of the Board of Directors; and
- Chair of the Audit Committee.

20.21.2.3 Board Chair and Audit Committee Chair expense reports

Expense reports submitted by the Chair of the Board of Directors are reviewed and approved by the same individuals as for other board members, with the exception that the Chair of the Board of Directors is replaced by the Vice Chair of the Board of Directors.

Expense reports submitted by the Chair of the Audit Committee are reviewed and approved by the same individuals as for board members, with the exception that the Chair of the Board of Directors is replaced by the Vice Chair of the Audit Committee.

20.21.2.4 E-mail approvals

E-mail approvals of expense reports are permissible. Employees requesting e-mail approval of expense reports must submit to the approver a PDF of both the expense report form as well as all relevant receipts. The expense report is considered approved when the approver sends back a confirming e-mail.

20.21.2.5 Delegation of approval

Delegation of approval for corporate credit card expense reports is not permitted under any circumstances.

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20.21.3 Overall deadline for submission to Finance

Approved corporate credit card expense reports must be submitted to Finance no later than 10 business days after the employee's credit card statement has been sent from Finance.

On the first business day after the submission deadline each month, a list of all employees and/or approvers who have missed the deadline will be sent to the CFO and CEO.

Failure to meet the corporate credit card expense report submission deadline twice within a 12-month period will result in removal of the employee's corporate credit card privileges for 12 months subject to the discretion of the departmental VP.

20.21.3.1 Employee deadline for submission

Employees must submit their corporate credit card expense reports for VP approval no more than five business days after they have received their credit card statement from Finance. If the VP is not present when the employee delivers the expense report, it is the responsibility of the employee to send the VP an e-mail explicitly indicating that they have delivered the expense report and are awaiting approval.

Extension due to absence

If an employee is absent for three or more days* within the first five business days after receiving their credit card statement from Finance, they must submit their expense report(s) for VP approval no later than three business days after returning to work.

*Approved absences include (1) vacation, (2) illness (3) business travel, and (4) other business-related absences, e.g., conference, FAM tour

20.21.3.2 VP deadline for approval

VPs must approve *corporate* credit card expense reports *within five business days* of receiving them from employees.

Extension due to absence

If a VP is absent for three or more days* during the five business days after receiving an employee's corporate credit card

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expense report(s), they must approve said expense report(s) and submit them to Finance no later than three business days after returning to work.

*Approved absences include (1) vacation, (2) illness (3) business travel, and (4) other business-related absences, e.g., conference, FAM tour

20.21.3.3 Pre-deadline notification by Finance

Two business days prior to the VP approval submission deadline each month, Finance will issue an e-mail notifying VPs which employees' expense reports remain outstanding. Each VP is then responsible for responding to Finance before the deadline and indicating:

- a) which employees' expense reports will not be submitted by the deadline
- b) the nature of each such employee's absence
- the number of days each such employee has been absent, and
- d) the date by which each such employee's expense report will be approved and submitted.

20.22 Reimbursement

20.22.1 Method of reimbursement

Corporate credit card statements are sent directly to Tourism Toronto and paid directly by Finance.

CASH EXPENSE REPORTS

20.23 Conditions for a cash expense report

Employees must submit a cash expense report for *every* month in which they incur business-related expenses.

20.23.1 Exception

Any employee with a Tourism Toronto-paid parking pass must submit a cash expense report for any month in which they report mileage.

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20.24 Reimbursement via petty cash

If an employee accumulates fewer than four receipts AND a total of less than \$25 in expenses in a given month, they may request reimbursement via petty cash.

A maximum of one petty cash claim per month is permissible.

Petty cash claims must be submitted on the last day of the month.

20.25 Preparation and submission

20.25.1 Preparation and submission of expense reports

To submit expense reports for cash purchases, employees should follow the steps outlined on the Intranet under *Accounting Forms*.

20.25.2 Receipts from different months

Receipts from different months may not be included in the same expense report. Separate expense reports should be prepared and submitted for each individual month in which expenses are incurred.

Multiple expense reports for different months may be submitted simultaneously.

20.25.3 Signatures and approvals

Expense reports must be:

- a. signed by the employee, and
- b. approved by their VP.

The expense report must then submitted to Finance, where it will be reviewed and approved by:

- Accounts Payable;
- Director of Finance and Controller;
- Chief Financial Officer; and
- Chef Executive Officer.

Approvers will be held accountable for any expense reports they sign. It is expected that they have thoroughly reviewed the report and are satisfied that receipts are included and descriptions are accurate.

20.25.3.1 CEO's and CEO's executive assistant's expense reports

The CEO's and CEO's executive assistant's expense reports are reviewed and approved by:

- Accounts Payable;
- Director of Finance and Controller;
- Chief Financial Officer; and
- Chair of the Board of Directors.

20.25.3.2 Board members' expense reports

Board members' expense reports are reviewed and approved by:

- Accounts Payable;
- Director of Finance and Controller;
- Chief Financial Officer:
- Chief Executive Officer;
- Chair of the Board of Directors; and
- Chair of the Audit Committee.

20.25.3.3 Board Chair and Audit Committee Chair expense reports

Expense reports submitted by the Chair of the Board of Directors are reviewed and approved by the same individuals as for other board members, with the exception that the Chair of the Board of Directors is replaced by the Vice Chair of the Board of Directors.

Expense reports submitted by the Chair of the Audit Committee are reviewed and approved by the same individuals as for board members, with the exception that the Chair of the Board of Directors is replaced by the Vice Chair of the Audit Committee.

20.25.3.4 E-mail approvals

E-mail approvals of expense reports are permissible. Employees requesting e-mail approval of expense reports must submit to the approver a PDF of both the expense report form as well as all relevant receipts. The expense report is considered approved when the approver sends back a confirming e-mail.

20.25.3.5 Delegation of approval

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Delegation of approval for cash expense reports is not permitted under any circumstances.

20.25.4 Overall deadline for submission to Finance

Approved cash expense reports must be submitted to Finance no later than 10 business days after the last day of the month in which the expenses were incurred.

On the first business day after the submission deadline each month, a list of all employees and/or approvers who have missed the deadline for any previous months will be sent to the CFO and CEO.

20.25.4.1 Employee deadline for submission

Employees must submit their cash expense reports for VP approval no more than five business days after the last day of the month in which the expenses were incurred. If the VP is not present when the employee delivers the expense report, it is the responsibility of the employee to send the VP an e-mail explicitly indicating that they have delivered the expense report and are awaiting approval.

Extension due to absence

If an employee is absent for more three or more days* within the first five business days after the last day of the month in which the expenses were incurred, they must submit their cash expense report(s) for VP approval no later than three business days after returning to work.

*Approved absences include (1) vacation, (2) illness (3) business travel, and (4) other business-related absences, e.g., conference, FAM tour

20.25.4.2 VP deadline for approval

VPs must approve cash expense reports within five business days of receiving them from employees.

Extension due to absence

If a VP is absent for three or more days* during the five business days after receiving an employee's cash expense report(s), they must approve said expense report(s) and submit them to Finance no later than three business days after returning to work.

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*Approved absences include (1) vacation, (2) illness (3) business travel, and (4) other business-related absences, e.g., conference, FAM tour

20.25.4.3 Stipulation for employees who have the corporate credit card

An employee's cash expenses for a given month will be reimbursed only after their corporate credit card expense reports for all preceding months have been approved and submitted to Finance.

20.26 Reimbursement

20.26.1 Timing of reimbursement

All complete, accurate and properly approved cash expense reports received in Finance by the deadline indicated in section 4.3.4 will be directly reimbursed via end-of-month payroll.

20.26.2 Method of reimbursement

Expenses will normally be reimbursed every month via end-of-month payroll.

20.27 Receipts for cash advances

Receipts for cash advances on the corporate credit card

For all cash advances on the corporate credit card, employees should attach to their cash expense report the relevant credit card statement, available from the card provider's website if not already received from Finance.

Receipts for cash advances via cheque

For all cash advances made via cheque, employees should attach to their cash expense report a copy of the ATM receipt or relevant cheque.

20.28 Rejected cash expense reports

If a cash expense report does not meet the proper requirements, it will be returned to the submitting party and may be accompanied by the Notice of Incomplete Submission (NIS) form in Appendix B. The submitting party will then be responsible for resubmitting their expense report once it contains the proper information and/or supporting documentation.

20.29 Overpayments

Should an employee inadvertently be overpaid, the overpayment must be repaid to the organization. The employee must repay the organization via personal cheque, or the repayment will be charged via payroll deduction. Repayment via cash is not permissible.

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Appendix A - Entities Not Eligible to Claim Hospitality Expenses

Pursuant to the Broader Public Expenses Directive ("Expenses Directive") made under the Broader Public Sector Accountability Act, 2010, hospitality is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds. However, to be eligible hospitality under the Expenses Directive, such hospitality must be provided to people who are <u>not</u> engaged to work for (1) designated BPS organizations or (2) any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitalities Expenses Directive ("OPS TMH Directive"). In summary, it is not permissible to claim expenses for hospitality activities for functions involving <u>only</u> those people in one of the following categories.

- (a) any hospital
- (b) any school board
- (c) any university/college
- (d) any Children's Aid Society
- (e) any Community Care Access Corporation
- (f) any corporation controlled by one or more designated Broader Public Sector organizations that exist solely or primarily for the purpose of purchasing goods or services for the designated broader public sector organization or organizations; and
- (g) every publicly funded organization that received funds of \$10 million or more in the previous fiscal year.

The following is a list of Ontario government, ministry, agency and public entities covered by the OPS TMH Directive:

- (a) all ministries of the Province of Ontario and their employees (e.g., Ministry of Tourism and Culture)
- (b) all classified agencies and their employees and appointees
- (c) all consultants and contractors to ministries or to classified agencies
- (d) all organizations prescribed as public entities under the *Public Sector Expenses Review Act*, including:
- 1. Alcohol and Gaming Commission of Ontario
- 2. Cancer Care Ontario
- 3. eHealth Ontario
- 4. Hydro One Inc.
- 5. Independent Electricity System Operator
- 6. Liquor Control Board of Ontario
- 7. Metrolinx
- 8. Metropolitan Toronto Convention Centre Corporation
- 9. Ontario Tourism Marketing Partnership
- 10. Ontario Clean Water Agency
- 11. Ontario Educational Communications Authority

- 12. Ontario Energy Board
- 13. Ontario Financing Authority
- 14. Ontario French-language Educational Communications Authority/Office des télécommunications éducatives de langue française de l'Ontario
- 15. Ontario Human Rights Commission
- 16. Ontario Infrastructure Projects Corporation
- 17. Ontario Lottery and Gaming Corporation
- 18. Ontario Power Authority
- 19. Ontario Power Generation Inc.
- 20. Ontario Public Service Pension Board
- 21. Ontario Racing Commission
- 22. Ontario Realty Corporation
- 23. Workplace Safety and Insurance Board

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Appendix B - Alcohol Authorization Form

- 1. Complete Sections A and B. In Section B, you may list as many events as you would like.
- 2. Obtain VP and CFO/CEO approval.
- 3. Attach a copy of the signed form to any POs that pertain to one of the listed events.

	SECTION A: Employee Information
Date Form Submitted:	
Submitted by (Name, Dept.):	

SECTION B: Event Information							
			Projected # of Attendees	PO # (if applicable)	Estimated Alcohol Budget (Total or Per Person)		
				Total	Per Person		
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

SECTION C: Approval							
Position	Signature	Date					
VP							
CFO/CEO							

Appendix C - Notice of Incomplete Submission (NIS) Form

Name

Date

Toronto Convention & Visitors Association