

	MANUAL CORPORATE	Section ADMIN	Pages 1 of 4	Number 102-ADM
Subject: Allowable and Non Allowable Business Expenses			Date: 02/01/2011	
Supersedes: 11/11/2009	Cross Reference: 002-ADM; 011-ADM; 016-HR 023-ADM; 035-ADM; 101-ADM		Issuing Authority: OPERATIONS COUNCIL	
<input checked="" type="checkbox"/> Charlton Campus	<input checked="" type="checkbox"/> West 5th Campus	<input checked="" type="checkbox"/> King Campus		

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1.0 Purpose and Scope

The purpose of this policy is to clarify St. Joseph's Healthcare Hamilton's (SJHH) position on the classification of allowable and non-allowable business expenses where current policies may not directly specify these items. In addition, this policy also clarifies what allowable business expenses are approved for reimbursement to SJHH personnel.

The purchasing of all supplies, materials and equipment, the acquisition of all services and the negotiation of all service contracts, is the sole responsibility of the Purchasing Department (Policy 011-ADM). In some circumstances, it may be deemed necessary to purchase low valued supplies and materials by staff for reimbursement however these items and spending must be done so in conjunction with all SJHH policies related to the purchasing practices of supplies and services. Purchases by personnel with personal funds should be kept to a minimum and used only when other avenues such as Purchase Orders requisitioned through Purchasing, Direct Purchase to third Party Vendor and/or, SJHH Procurement Cards have been pursued.

Scope

This policy applies to all claims submitted to SJHH for reimbursement.

2.0 Definitions:

- **2.1 Hospitality expense** – is the provision of food, beverage, accommodation, transportation and other amenities to people who are not engaged to work for SJHH (ie staff, Board members, consultants and contractors are considered engaged to work for SJHH)

4.0 Policy

4.1 Approval Authority

- The following Accountability framework identifies the authority levels for approval of expense claims.

Claims Applicant	Authority Approval Level
Supervisors/Coordinators and Front Line Staff	Manager
Management Group	Immediate Supervisor (Director or Vice President)
Directors	Immediate Supervisor (Vice President or President)
Vice President	President
President of SJHH and CEO of SJH Health System	One Board Member
Board Member	Chair of the Board
Chair of the Board	President

4.2 Responsibility

- 4.2.1 The authorized approving officer is responsible for ensuring that claims are for legitimate activities, are within the conditions of the work related business and are being charged to an appropriate account.
- 4.2.2 Employee is responsible for repaying any overpayments to SJHHH as this is considered a debt owing to the organization.
- 4.2.3 Employee is responsible for submitting all claims for expenses prior to leaving employment. No expenses will be paid after the termination date of an employee
- 4.2.4 Expense claims must be approved by claimant's immediate supervisor per above schedule
- 4.2.5 SJHH reserves the right to deduct from the claim any expenses deemed inappropriate, unauthorized or unsubstantiated by proper receipts in accordance with the present policy

- 4.2.6 SJHH will not reimburse claims submitted where the transaction date (date the expense was incurred) exceeds three months.
- 4.2.7 When an expense is incurred where a group of SJHH employees are present, the SJHH employee with the highest ranking position must claim and submit the original receipt for approval to their immediate supervisor

4.3 Allowable Business Expenses

- 4.3.1 Monthly home internet fees for Home based Medical Transcriptionists
- 4.3.2 Home internet fees for IT Systems Administrators and Analysts only
- 4.3.3 Retirement Gift (Policy 016-HR)
- 4.3.4 Membership fees (Policy 023-ADM); in some circumstances membership fees may be considered a taxable benefit
- 4.3.5 Mileage for attendance at a business related function (Policy 002-ADM)
- 4.3.6 Allowable travel expenses (refer to Policy 002-ADM for details)
- 4.3.7 Books, Magazines, subscriptions paid by SJHH are the property of SJHH
- 4.3.8 Christmas Decorations (Policy 035-ADM)
- 4.3.9 Low valued miscellaneous supplies and sundry items for patients/residents as part of a therapeutic and/or rehabilitation program
- 4.3.10 Small appliances, such as microwaves, toasters, kettles, purchased for patients/residents use only
- 4.3.11 Reasonable low valued office/workstation furnishings
- 4.3.12 Rewards to staff/department for recognition of accomplishments are allowable but must be approved in advance by the manager/director/vice-president's immediate supervisor
- 4.3.13 Hospitality expense claims are reimbursable for those who are not engaged to work for SJHH.

4.4 Allowable Business Expenses – not to be purchased with personal funds

The following items **must** be purchased through Purchase Orders requisitioned through Purchasing, Direct Purchase to Third Party Vendor and/or SJHH Procurement Cards.

These items will not be reimbursed by SJHH if purchased with staff's personal funds.

- 4.4.1 Any approved Capital Equipment
- 4.4.2 Computer Software/Hardware
- 4.4.3 Supplies and services where SJHH has engaged in a contract or rebate program.
- 4.4.4 Small appliances, such as microwaves, toasters, kettles, purchased for patients/residents use only.
- 4.4.5 Stationary and office supplies where the cost of purchasing these items through personal finances impede in any way SJHH's ability to attain

discounts from negotiated contracts with specific Vendors, e.g. Corporate Express, Moore's Business Forms, McMaster Print Shop, etc.

- 4.4.6 Any items that would impede the competitive selection of vendors for the procurement of goods and services adopted by SJHH.

4.5 Non-allowable Expenses/Reimbursement

- 4.5.1 Personal purchases of any nature even if the employee offers to reimburse SJHH.
- 4.5.2 Gifts (floral or other), cards, lunches, and other consumable goods and/or wrapping paper, for a special event or circumstance for an employee of SJHH with the exception of a Retirement of employee (re: Policy 016-HR).
- 4.5.3 Meals, desserts and beverages purchased for staff consumption.
- 4.5.4 Meals consumed during a meeting with hospital staff only are not eligible for reimbursement unless for the purposes of reward & recognition.
- 4.5.5 Home internet fees
- 4.5.6 Membership fees for recreation or for a professional association not recognized by this organization
- 4.5.7 Fines such as speeding, parking tickets, etc. (Policy 002-ADM)
- 4.5.8 Credit card interest charges and/or fees
- 4.5.9 Toll fares, for example 407 ETR unless approved in advance by employee's supervisor (Policy 002-ADM).
- 4.5.10 Alcoholic beverages are not reimbursable except under certain circumstances where the Vice President has approved the expense in advance, i.e. special events (Policy 002-ADM).
- 4.5.11 Registration fees/course reimbursement for attendance to a conference or course where it is for the sole personal benefit of the individual.
- 4.5.12 Non-allowable travel expenses (refer to Policy 002-ADM for details).
- 4.5.13 Briefcases, bags and luggage purchased for the personal use of SJHH staff
- 4.5.14 Small appliances, such as microwaves, toasters, kettles, for the personal use of SJHH staff.
- 4.5.15 Travel, accommodation and/or meals for accompanying family members of SJHH staff when traveling for business purposes.
- 4.5.16 Maintenance expenses on personal vehicles.
- 4.5.17 Insurance Deductibles (Policy 002-ADM)
- 4.5.18** Hospitality expenses claimed for those engaged to work for SJHH is prohibited. (ie staff, Board members, consultants and contractors).

5.0 Procedures

5.1 Claims Greater than \$25.00

5.1.1 For SJHH Staff on Payroll

All expense claims totaling greater than \$25.00 must be submitted to the Finance Department for reimbursement as follows:

- 5.1.1.1 Complete an Employee Expense Statement For Reimbursement (Intranet/Accounts Payable /Forms).
- 5.1.1.2 All expense claims must be submitted with the original receipt. SJHH will not reimburse claims submitted where the transaction date (date the expense was incurred) exceeds three months.
- 5.1.1.3 No person shall authorize any expense that may confer a benefit on that same person
- 5.1.1.4 Forms will will be reviewed for appropriateness and completeness and paid through payroll direct deposit only. These expenses are not taxable.

5.1.2 **For Non-Staff Reimbursements**

- 5.1.2.1 Complete the AP Cheque Request from Intranet/Accounts Payable /Forms.
- 5.1.2.2 All Expense claims must be submitted with the **original** receipt.
- 5.1.2.3 Forms will be reviewed for appropriateness and completeness and paid by cheque through Accounts Payable. These expenses are not taxable.

5.2 Claims Less than \$25.00

All expense claims totaling less than \$25.00 can be claimed at the Cashier's office, a division of the Finance Department as follows:

- 5.2.1 Complete an Employee Expense Statement For Reimbursement (Intranet/Accounts Payable /Forms).
- 5.2.2 All expense claims must be submitted with the **original** receipt.

5.3 Cash Advances

Cash advances for expense claims must be approved by the Deputy CFO and/or Manager of Accounts Payable.

6.0 Documentation: None

7.0 References

Boarder Public Sector Accountability Act 2010 Par IV Expense Claims

8.0 Sponsors

Sonia Browne, Director of Finance, Deputy CFO
Laura Rullo, Manager of Payroll and Accounts Payable

9.0 In Consultation With

Nicole Ruttan-Sims, Purchasing Manager

10.0 Posting:

Operations Council

12.0 Posting Dates: 11/11/2009; 03/29/2011

11.0 Attachments/Appendices: None