

GREATER TORONTO TRANSPORTATION AUTHORITY

Board Meeting Date: July 27, 2007

Item Class: Chair's Item
 Decision
 In Camera
 Information
 Resolution / By Law

RECOMMENDATION:

BE IT RESOLVED THAT:

The Board adopt the attached Corporate Administration Policy 07-002 pertaining to Travel, Meals and Hospitality, which applies to employees of the GTTA and Board Members as an interim Policy pending review by the Audit Committee and;

Policy 07-002 be reviewed by the Audit Committee and report back to the Board with any changes for final approval.

ISSUE:

The Greater Toronto Transportation Authority is moving quickly to establish Corporate Administration policies governing several areas of accountability, including Travel, Meals and Hospitality, in order to set out accountability standards and administrative controls to ensure the prudent and effective management of public funds.

BACKGROUND:

This policy will establish guidelines and mandatory requirements for reimbursing employees and Board Members for travel, meals and hospitality incurred while performing their duties on GTTA business, including board meetings.

The standards and controls contained in the GTTA's Travel, Meals and Hospitality Policy reflect current and best practices in public sector spending and ensure transparency so as to withstand public scrutiny. The policy is based on applicable Treasury Board/Management Board of Cabinet and Ministry of Finance directives.

The GTTA will reimburse employees and board members for all reasonable and legitimate out-of-pocket expenses incurred in the performance of their duties authorized by management.

Expenses must be work-related and economical.

Resources Implications:

Financial Impact:

This policy will assist the GTTA in ensuring that public funds are spent prudently and in a manner that is consistent with the program mandate and funding agreement with the province, and provide value for money.

Legal Implications:

In accordance with GTTA By-Law No.1, "A By-Law Relating Generally to the Conduct of the Affairs of the Corporation", Section 4.6 Expenses: The Corporation shall adopt from time to time policies concerning the reimbursement of reasonable expenses incurred by Directors, officers and employees. All such policies must be consistent with directives of Management Board of Cabinet.

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PURPOSE

This policy will establish guidelines and mandatory requirements for reimbursing employees, including the CEO and Board Members for travel, meals and hospitality incurred while performing their duties on GTTA business including board meetings.

POLICY STATEMENT

The GTTA will reimburse employees and board members for all reasonable and legitimate out-of-pocket expenses incurred in the performance of their duties authorized by management.

Expenses must be work-related and economical.

SCOPE

This policy applies to employees of the GTTA and Board Members

Non-Reimbursable Expenses:

Expenses of a personal nature will not be reimbursed. Expenses such as but not limited to:

- Recreational purposes (e.g. video rentals, mini bars etc.);

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- Personal items;
- Traffic and parking violations;
- Social events that do not constitute hospitality as described below;
- Alcoholic drinks, unless part of hospitality as described in the Hospitality Section; and,
- Friends or family members, unless part of hospitality as described in the Hospitality Section

Receipts

Managers must ensure that appropriate records retention arrangements are in place for claims documentation. Receipts must be submitted for all claims unless indicated otherwise (gratuities, per diems).

Enforcement

Persons approving claims for reimbursement are responsible for monitoring compliance with this policy.

Approvals

Approval authority is set out in Appendix C.

Travel

For those appointed to the Board of Directors by Order-In-Council will be reimbursed for actual costs incurred in travelling to and from the GTТА's Head Offices on GTТА business or to other locations on approved business.

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Persons Travelling Together

In determining the number of senior personnel travelling together in the same vehicle (plane, train, or automobile), consideration should be given to business continuity need in order to reduce the risk of a major disruption to the GTТА's ongoing operations. This decision should take into consideration the number of senior management in a direct line of supervision within the GTТА, as well as the number of Board Members travelling together.

Loyalty Programs

Travellers may participate in loyalty programs (e.g. frequent flyer programs), provided they select the most cost-effective circumstances.

Exchange Rate

Employees and Board Members incurring expenses in foreign currencies shall convert the funds to Canadian dollars. If applicable, conversion service charges will also be reimbursed. All distance costs (mileage) are calculated in Canadian funds. Actual expenses and meals must be claimed on a per diem basis, or through provision of actual receipts as outlined in this policy. The applicable conversion rate will be set by GO Transit's Accounts Payable, or by the applicable exchange rate obtained through charge cards receipts, or bank/exchange outlets.

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Expense Form

All reimbursable expenses should be submitted on Form # GTTA-0002-07, Statement of Travelling Expenses (attached as Appendix A)

Submission of Expenses

Expense Accounts and accountable advances must be submitted to the appropriate approval authority as set out in Appendix C within ten (10) days of the end of each month (e.g. expense accounts for December must be submitted by January 10th). However, it is recommended that small claims should be accumulated to \$50.00 and then submitted. If there has been an overpayment the employee or Board Member will return the overpayment within thirty (30) days from notification.

Expense Advances

All advances against specific trips must be returned within thirty (30) days of the end of the trip less any expenses for which a board member or an employee is entitled to be reimbursed under this policy.

Overnight Accommodation

Employees or Board Members requiring overnight accommodation when travelling on GTTA business are entitled to a reasonable standard of accommodation provided such overnight stay was authorized by the appropriate approval authority as set out in Appendix C the applicable receipts are submitted with the expense account. Employees and Board Members who are away from home on business will be permitted reasonable expenses for telephone calls to home for family business. As a general rule, one call per day, not to exceed

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fifteen (15) minutes is considered reasonable.

If accommodation is made with family or friends a maximum as set out in Appendix B for gratuitous lodging expenses is allowed. No receipt is required.

Accommodation within proximity to home base will not normally be authorized.

For exceptional situations the appropriate approval authority as set out in Appendix C may consider reimbursing for accommodation within proximity to home base:

- (i) for periods significantly exceeding normal working hours;
- (ii) where appropriate for the purposes of ensuring reliable attendance at early morning events, particularly where the employee or board member is a speaker, facilitator or moderator;
- (III) to avoid travelling after 9 p.m. in the evening or otherwise to ensure personal safety and security; and
- (iv) to avoid driving when fatigued.

Gratuities

Reasonable gratuities for meals, bellhop, hotel room services, and taxis will be reimbursed. Receipts are not necessary for gratuities.

Laundry/Dry Cleaning Services

Individuals who are away from home for five (5) consecutive days shall be

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reimbursed for reasonable expenses for laundry and valet services required as a result of conducting business, based on receipts.

Road Transportation

Bridge, ferry, highway tolls, taxis, daily transit and necessary parking fees will be reimbursed while travelling on GTTA business. Receipts must be obtained and submitted wherever practicable.

Kilometre Reimbursement Rate

Rates of reimbursement are set out in Appendix B.

Other Transportation

Whenever practical public transportation, airport shuttles and auto sharing must be considered.

Unless approved by the appropriate approval authority as set out in Appendix C a charge may not exceed that of:

1. first-class passage, when travelling by rail
2. economy class, when travelling by air; and
3. standard roomette on a railway sleeping car.

Meal Expenses

Reasonable and appropriate meal expenses will be reimbursed as set out in Appendix B. Reimbursement amounts must not include alcoholic beverages.

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Hospitality

Hospitality is the provision of food, beverages, accommodation, transportation or other amenities at public expense to persons who are not engaged in work for the GTТА. Hospitality should be extended in an economical, consistent and appropriate way when it will facilitate GTТА business or is considered desirable as a matter of courtesy.

Hospitality may be extended by the GTТА when:

- Engaging representatives of other governments, the broader public sector, industry, public interest groups or unions in discussions on official matters;
- Sponsoring formal conferences for representatives of other governments or for business or labour groups
- Honouring distinguished persons from Ontario in recognition of exceptional public service
- Official Ceremonies attended by heads of state or government, distinguished persons from the private sector
- It is incidental to the providing of training session to Board Members or employees
- It is incidental to the holding of other off-site functions for employees or Board Members

Exception to the above must have prior approval of the appropriate approval authority as set out in Appendix C.

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Hospitality Receipts

Claims for Hospitality **must** include receipts.

Details including names of attendees, dates of services rendered, accommodation or rates should appear on each receipt, e.g., hotel receipts shall be itemized to show:

- Dates of accommodation
- Rates per day or week
- The cost of meals provided
- The cost of any other services.

In each instance the unit price (s) and the total cost of each item must be indicated.

Receipts may not be altered in anyway except that personal items not allowed as a claim may be deleted or entered as a deduction.

Hospitality extended to the spouse of a host or GTТА representative must be restricted to situations where the presence of the spouse enhances the conduct of the function or because of protocol. Reimbursement of expenses incurred by a spouse is subject to authorization of the appropriate approval authority as set out in Appendix C.

Part of normal business hospitality may include the consumption of alcoholic beverages with a meal or during a reception. Reimbursement for the cost of alcohol is permitted for hospitality events. The cost of alcoholic beverages cannot exceed the cost of food. Preference should be given to wine, beer and spirits produced in Ontario when offering such refreshment to guests. Such hospitality requires prior approval by the appropriate authority set out in Appendix C.

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Community Events

It is the interest of the GTTA to maintain good relations with its municipal and transit stakeholders. To that end, it shall be the policy of the GTTA to encourage the Chair and Vice-Chair or his or her designee of the GTTA to attend one or more significant community events, whether at the invitation of the head of municipal council or otherwise, in each of the six major communities within the GTTA Region. Registration fees will be reimbursed associated with such events. The reimbursement for registrations fees or event entry shall be limited to six such events in any one year, and to two such events in any one community in the GTTA Region. If any portion of the registration paid is to be donated to a charitable cause, it shall not be used as a personal charitable deduction by the GTTA official attending the event. For expenses to be reimbursed prior approval of attendance by the appropriate authority as set out in Appendix C. must be obtained.

Gifts of Appreciation

Token gifts of appreciation, valued at the amount as set out in Appendix B may be extended to persons who are not attached to a government in exchange for pro bono services. Gifts valued above this amount must be justified and approved by the appropriate approval authority as set out in Appendix C.