

**1. PURPOSE**

The purpose of this policy is to set out the rules and principles for the reimbursement of expenses, to ensure fair and reasonable practices and to provide a framework of accountability to guide the effective oversight of resources in the reimbursement of expenses. This policy emphasizes accountability, transparency, value for money and fairness.

**2. DEFINITIONS**

For the purposes of this policy, the following definitions apply:

**“Business Credit Card (BCC)”** refers to the company authorized credit card provided by TICO’s participating credit card financial institution.

**“Claimant”** refers to any person making a claim under the terms of this policy.

**“Credit Limit”** means the available credit allocated to each Business Credit Card(s) and the total credit available to the company under the business card program.

**“Approver”** refers to the person with the authority to approve expenses under this policy.

**“CEO”** refers to TICO’s President and Chief Executive Officer.

**3. SCOPE**

This policy applies to the Travel Industry Council of Ontario (TICO) Board of Directors and to all TICO employees, consultants and contractors that may incur an expense during company business.

#### 4. PRINCIPLES

TICO must conform to the following key principles:

- TICO funds are used prudently and responsibly with a focus on accountability and transparency.
- Expenses for travel, meals and hospitality support TICO objectives and must always be reasonable.
- Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.
- Legitimate authorized expenses incurred during the course of TICO business are reimbursed.
- Expenses, other than travel, meals, accommodation and hospitality, are to be procured on a basis described in the Procurement Policy.
- Expenses for a group must be claimed by the most senior person attending, and approved by the next level higher in management (i.e. the approver cannot have attended the event).
- Best practices in expense management should prevail, including (but not limited to) prior approval of an expense to be incurred; business credit cards used for company business only and other lower cost options are always considered first.
- Consultants and other contractors will not be reimbursed for any hospitality, incidental or food expenses.

#### 5. MANDATORY REQUIREMENTS

- Written approval is required for all expense claims submitted.
- Expense claims must be submitted in writing on the appropriate expense form with original receipts for all expenses attached.
- Good record-keeping practices must be maintained for verification and audit purposes.
- Alcohol is strictly prohibited for all employees during regular business hours and cannot be claimed and will not be reimbursed, unless prior approval of the CEO/Registrar is obtained. Alcohol may be permitted for approved company functions (e.g. retirement functions), including events where registrants or the public are invited, but must always be in moderation, be reasonable and consider safety first. Alcohol should always be provided in a responsible manner.
- Food must always be served when alcohol is available. Total cost of alcohol should never exceed the cost of food.

- Where alcohol is permitted, preference should be given to wine, beer and spirits produced in Ontario.

**Claimants must:**

- Obtain appropriate approvals, which are consistent with TICO's Delegation of Authority Policy before incurring expenses.
- Submit original, itemized receipts with all claims. Credit card slips are not sufficient.
- If there is not an itemized receipt, a written explanation must be submitted to explain why the receipt is unavailable and a description itemizing and confirming the expenses must be provided.
- Claims must be submitted monthly to ensure expenses are recognized in the appropriate period; given the frequency of Board of Director meetings, submissions by Board members on a quarterly basis are acceptable.

**Approvers must:**

- provide approval only for expenses that were necessarily incurred in the performance of TICO business;
- provide approval only for claims that include appropriate documentation; and
- not approve their own expenses.

**6. ACCOUNTABILITY FRAMEWORK**

Board member expense reports are to be approved by the CEO/Registrar.

The CEO/Registrar's expense reports are to be approved by the Chair of the Board of Directors or, in his or her absence, by the Vice-Chair.

TICO staff expense reports are to be approved in accordance with the CEO/Registrar's Delegation of Authority Matrix policy.

Managerial Discretion:

For the purpose of this policy, managerial discretion is the

administrative authority to make decisions and choices with some degree of flexibility while maintaining compliance with this policy. All decisions should be taken very carefully.

When exercising discretion, the rationale must be documented and filed with the claim.

Approvers are accountable for their decisions, which must be:

- subject to good judgment and knowledge of the situation;
- exercised in appropriate circumstances; and
- comply with the principles and mandatory requirements set out in this policy.

When a situation arises and discretion needs to be exercised, approvers should consider whether the request is:

- able to stand up to scrutiny by auditors and stakeholders;
- properly explained and documented;
- fair and equitable;
- reasonable;
- appropriate.

It is the responsibility of both the approver and the claimant to work out appropriate arrangements, which would meet the test of being fair and equitable.

For employees subject to frequent business travel, but where the employee leaves/returns to their home in the same day, the manager and employee should determine a consistent and fair strategy with respect to meal and other related travel expenses.

For employees, who travel on occasion for business, but where the employee leaves/returns to their home in the same day, expenses associated with meals are considered a personal expense. Employees are encouraged to use good professional judgment in considering an expense for reimbursement for business purposes.

## **7. OTHER NON-ELIGIBLE EXPENSES**

The following expenses are ineligible for reimbursement at all times:

- Alcohol, except as noted in other applicable sections of this policy;
- Dry cleaning;

- Mini-bar charges;
- Hotel movies;
- Individually purchased coffee, tea or soft drinks while on business;
- Newspapers, magazines or other journals;
- Traffic and/or parking violations;
- Interest on over-due credit card statements;
- Tips greater than 15%;
- Other individual items less than \$5.00, except for parking.

## **8. ACCOMMODATIONS**

There will be no reimbursement for hotel suites, executive floors or concierge levels when travelling on company business. Reimbursement will be made for single accommodation in a standard room. Employees should request government rates wherever possible.

Private stays with friends or family are acceptable, and a cash payment or gift may be provided to the friends or family in accordance with the following criteria:

- A maximum of \$30 per night is allowed for accommodation, including any meals with friends or family, in lieu of commercial accommodation. Instead of a receipt, you must submit a written explanation describing the purpose of the trip, identifying the host and the number of days you stayed.
- The \$30 value may be given in the form of a small gift (which must be accompanied by a receipt) or by cash or cheque.

## **9. USE OF PERSONAL VEHICLE**

If you use your personal vehicle while on company business, the following rules apply:

- The vehicle must be insured at the vehicle owner's expense for personal motor vehicle liability.
- It is the driver/owner's responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.
- TICO will not reimburse the costs of insurance coverage for business use, physical damage or liability.
- TICO is not responsible for reimbursing deductible amounts

related to insurance coverage.

- In the event of an accident, you will not be permitted to make a claim to TICO for any resulting damages.
- Employees can claim a mileage reimbursement at the prescribed reimbursement rate.

A rental vehicle, or a company fleet vehicle (if available), is preferred if the total cost to TICO is lower; employees travelling are responsible for choosing the lowest cost alternative. Where a rental vehicle is required, insurance for collision damage should be declined. A compact vehicle is the preferred option, unless for safety reasons a different type of vehicle is requested, in which case a pre-approval is required.

Travel to/from the employee's home from/to TICO's head office is considered a personal expense.

Safety is always the first priority when travelling on company business (or otherwise). Any accidents should be reported immediately to the employee's manager, or as soon as reasonably possible under the circumstances.

#### **10. INTERNATIONAL AND OUT-OF-PROVINCE TRAVEL**

While rare, all international and out-of-province travel must be pre-approved by the CEO/Registrar. Pre-approval will be based on a written rationale detailing the critical value resulting from the travel abroad, including specific linkage to the company's strategic priorities. Business class travel for international travel is only permitted in exceptional circumstances where the flight is in excess of 5.5 hours.

Employees should give consideration to out-of-country medical insurance as appropriate.

#### **11. STATUTORY DIRECTOR AND DEPUTY DIRECTOR**

Effective April 1, 2017, the Statutory Director will be entitled to remuneration of \$5,755 per annum. The compensation will be paid monthly, which works out to \$480 per month. The Statutory Director will only receive the compensation when he or she is filling the Statutory Director role. If the Statutory Director delegates responsibility to the Deputy Director, the Deputy Director will receive the remuneration for that period instead of the Statutory Director.

The Statutory Director or Deputy Director will also be able to claim reasonable out-of-pocket expenses when they are filling the Statutory Director role. A list of eligible expenses can be found in the Board of Directors section of this policy. Statutory Director and Deputy Director Expense claims are to be submitted to the Board Chair for approval with a copy to the CEO.

The Statutory Director remuneration will be adjusted annually with the consumer price index. Moving forward, new rates will come into effective at April 1 of each year. The remuneration is reviewed annually by the Governance and Human Resources Committee.

**12. BOARD OF DIRECTORS**

The by-laws of the Travel Industry Council of Ontario provide for the remuneration of Directors. The Board has approved the following levels of remuneration:

Per Diems:

**Board Meetings:**

Chair	\$480*
Vice-Chair	\$379*
Member	\$310*

**Committee Meetings:**

Committee Chair	\$310*
Committee Member	\$240* (including non-Board committee members)

The Board and Committee per diems will be adjusted annually with the Consumer Price Index (CPI). The above rates are effective April 1, 2017.

The per diem is the amount payable for work periods in excess of three hours. If the work period is less than three hours, one-half of the established per diem is paid. Preparation time may be included in the calculation of hours.



Administrative Costs:      Photocopies  
   Telephone calls  
   Fax  
   Postage

The above rates apply to all regularly scheduled board meeting and committee functions. Any special board functions, which deviate from the above rates, must be approved by the Board Chair and CEO.

Commencing with the board meeting in July 2015, board members will no longer be required to submit claims for standard board and committee per diems. These will be processed by TICO staff and the amount, net of applicable withholding tax, will be directly deposited into the accounts that board members have designated within two weeks of the board or committee meeting.

Board members may claim an additional amount for preparation time, as appropriate. The individual will need to submit a per diem expense claim for his/her preparation time. Such claims should be based on the number of hours spent. The maximum amount that can be claimed for preparation time is up to an additional per diem.

All board members wishing to claim for expenses, including travel, will be required to submit an expense claim with supporting receipts. Any Expense Reports containing errors or omissions, including missing receipts, will be returned to the board member.

All claims for expenses or preparation time must be submitted within three months of the date of the meeting for which the expense was incurred.

### **13.            REGISTRAR/CEO TRAVEL**

It is in the best interests of TICO that the Registrar and CEO meet members of the industry as much as possible and speak and participate at various industry and association functions in order to further TICO's mission.

The Registrar/CEO shall use his or her best judgment in accepting speaking engagements or invitations to participate in industry functions, taking into account the following:

- the extent of the Registrar/CEO's participation and

- corresponding benefit to TICO;
- the size of the audience;
- how long he or she will be away from the office; and
- any potential for the general public or the industry to perceive that a personal benefit may be gained from participation in the particular event.

The Registrar exercises statutory duties, which require independent decision-making. He or she must, therefore, act scrupulously to avoid actual or perceived conflicts of interest. If the Registrar/CEO is going to stay over after a conference for personal reasons, the costs of this will be absorbed by the Registrar/CEO. All travel outside Canada shall be pre-approved by the Chair. Invitations to industry-sponsored "familiarization trips" must be declined due to the risk of a perceived conflict of interest. If the Registrar also acts as TICO's CEO, it is imperative that he or she be, and be perceived to be, independent.

The Registrar/CEO shall conform to the other standards outlined in the TICO Staff section of the policy.

#### **14. TICO STAFF**

Certain TICO staff members have been provided with a Business Credit Card (BCC) to be used, as necessary, to pay for business expenses as identified within this policy. It is important to note that the BCC will be used only for business purposes, and personal expenses are strictly prohibited (unless it is an emergency, in which case, the employee's manager should be notified as quickly as is reasonable in the circumstances). The BCC is issued on a joint and several liability basis, meaning that the employee and/or TICO are responsible for any liability incurred.

The aggregate credit limit for the business card credit program shall be determined from time-to-time and approved by the Audit Committee, with individual allocations pre-approved by the CEO.

The following rules should be applied when using the BCC:

- The BCC is for business purposes only; personal charges are not

- permitted at any time (except, as noted above, for emergencies).
- Employee expense claims should be filed monthly, along with the original monthly credit card statement (with a reconciliation if there are any differences).
  - Zero balance BCC statements should be sent to Accounting for record-keeping purposes.
  - Late penalty charges (interest charges) are at the expense of the cardholder.
  - Only expenses under this policy are permitted; the BCC should not be used for other non-travel related purchases.
  - Accumulated points may be used by the individual card holder.

Management retains the right, at any time, to require the employee to return the BCC.

Business Travel:

In light of TICO's role in the travel industry administering and monitoring compliance under the Act, TICO staff must act scrupulously to avoid actual, perceived and potential conflicts of interest. Conflicts may arise where TICO staff members accept discounts or other travel advantages from registrants for business travel that are not available to the general public. All business travel services for TICO staff are to be purchased in economy class and at a fare that is available to the general public. Industry discounts or passes are not permissible. Accommodation is to be economy class without industry discounts. Employee travel must be approved by management.

Invitations from the Industry:

TICO staff must seek their manager's approval before accepting speaking engagements or invitations to participate in industry functions. The benefits of such participation will be reviewed by management taking into consideration the importance of avoiding potential or perceived conflicts of interest. TICO staff may not participate in industry sponsored "familiarization trips".

Expenses:

Travel Expenses:                      Mileage rates as set by CRA

Parking expense (posted rate)  
Taxi expense (posted rate)

Air Travel: Economy - Scheduled or Charter

Hotel: Economy Class Hotel

Meals: If away from the office on company  
business:

Breakfast	up to \$15
Lunch	up to \$20
Dinner	up to \$40

(Note: Individuals expensing meals for a day may deviate from the individual meal allotments provided that they do not exceed the daily maximum).

Administrative Costs: Photocopies  
Telephone calls  
Fax  
Postage

## 15. HOSPITALITY

Hospitality refers to the provision of food, beverage, accommodation, transportation and other amenities to people who are not engaged in work for TICO. Functions involving only people who work for TICO (all those covered by this policy) are not considered hospitality functions.

Hospitality may be extended in an economical and consistent manner when:

- it can facilitate TICO business; and
- it is considered desirable as a matter of courtesy or protocol.

Hospitality may be extended on behalf of TICO when:

- engaging in discussion of TICO business with, or sponsoring

formal conferences for:

- representatives from governments or organizations with regulatory responsibilities similar to TICO;
- business, industry or consumer groups.

Examples of hospitality events held by TICO include, but are not limited to:

- Annual General Meetings (AGM)
- Town Hall Meetings
- Anniversary Functions
- Appreciation Events Honoring former TICO Board Members

Any hospitality functions held by TICO must be approved by the CEO/Registrar. Any gifts given as part of a hospitality event must be approved by the CEO/Registrar. Where alcohol is served, approval of the Chair of the TICO Board of Directors is also required.

All hospitality expenses must be documented and include original itemized receipts.

The claim must include event details regarding:

- purpose;
- date(s);
- location;
- type of hospitality (i.e. breakfast, lunch, dinner, reception, refreshments, etc.);
- attendees;
- appropriate approvals.

*Last Revised - March 28, 2017*