



STAFF REPORT Action Required

Date:	June 22, 2016
To:	TAF Board of Directors
From:	Julia Langer, CEO
Re:	Adoption of Updated TAF Business Expense Policy

SUMMARY

An update of TAF's Business Expense Policy, which is consistent with the provisions of the Toronto Business Expense Policy, is proposed for adoption.

BACKGROUND

The policy establishes the rules and criteria under which Toronto Atmospheric Fund (TAF) will reimburse expenses which are exclusively incurred in connection with its business. The update clarifies the type of expenses which will be reimbursed, sets out the roles and responsibilities of the staff as claimant and approver, and promotes the corporate objective of being consistent, fair and reasonable and while encouraging responsible, low-carbon behaviour and strengthening transparency and accountability. The City's policy has been used as a base, with the necessary modifications consistent with TAF's governance framework. To bring this policy into force, existing policies must be rescinded.

RECOMMENDATION

It is recommended that the Toronto Atmospheric Fund Board of Directors:

1. Rescind TAF's current policies relating to business expenses; and
2. Adopt the enclosed policy as set out in Appendix A.

CONTACT

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Appendix A: TAF Business Expense Policy

PURPOSE

The policy establishes the rules and criteria under which Toronto Atmospheric Fund (TAF) will reimburse expenses which are exclusively incurred in connection with its business. The policy further extends to outline the type of expenses which will be reimbursed and explains the roles and responsibilities of the staff as claimant and approver.

The policy promotes the corporate objective of being consistent, fair and reasonable while encouraging responsible behaviour and strengthening transparency and accountability.

Definitions

- TAF refers to Toronto Atmospheric Fund, an arm's length agency of the City of Toronto
- **Approver** is the direct manager of the employee or contractor submitting the claim with authority and responsibility to review and approve expense reimbursement claims.
- **Business Travel** is travel which is necessary to conduct the business affairs of the Corporation and is required by employees to:
 - carry out duties directly related to job responsibilities;
 - participate in their capacity as an executive of a professional association where membership is paid by TAF;
 - participate as a speaker, panel member or presenting a paper, where participation is formally recognized in the agenda;
 - participate in study or inspection tours, visits, equipment or service demonstrations or meetings when specifically directed by TAF or its Board of Directors; or
 - participate in conference, seminars and training events.
- **Conference** is an event sponsored by a professional or trade association involving a series of presentations or discussions related to the purposes and goals of the association or the goals and interests of TAF
- **CRA** is the Canada Revenue Agency.
- **Employee** refers to employees or contractors working for TAF
- **Events** include seminar, conferences and business travels.
- **Greater Toronto Area and Hamilton (GTHA)** includes the amalgamated City of Toronto and the Regions of Durham, York, Peel and Halton, and the City of Hamilton.
- **Manager** – includes direct supervisor with budget and spending authority.
- **Original Itemized Receipt** is the original sales receipt or invoice indicating the amount spent, the nature of the expenditure and the recipient of the payment. A credit card slip with the payment value only does not qualify as an Original Itemized Receipt.
- **Purchasing Card (PCard)** is the TAF-issued purchasing credit card, provided to selected, authorized employees to facilitate the purchase of certain goods and services e.g. payment for conference registration, accommodation, professional membership and association fees etc.

- **Seminar** is an educational program of not more than five working days, but not necessarily offered through an approved academic institution or professional body, and is for an individual's professional development.
- **Staff** includes all TAF staff including contractors.
- **Training** represents education provided through an academic institution, professional body, sectoral organizations and networks, and specialized companies and individuals. It may include technical, management, communications, grantmaking, or other relevant skills and best practices. .

APPLICATION and SCOPE

This policy applies to all TAF staff

This policy establishes rules with respect to the reimbursement of expenses incurred by employees for the following purposes:

1. Attendance at conferences, seminars, training, and business travel
2. Meal Allowances
3. Business Meetings or Protocol Events Involving External Business Contacts
4. Food and Beverage (Refreshments) at Staff Meetings
5. Professional Membership and Association Fees
6. Parking Fees and Kilometrage (Driving) Expenses
7. Tips

The non-reimbursable expenses include, but are not limited to, the following:

- Expenses of a personal nature including expenses for companions, spouses and other family members
- Traffic and parking violations

POLICY

The vendors should be paid directly, in order to minimize direct reimbursement to employees. Thus this policy encourages the use of P-card for making payments to vendors.

1. Attendance at Conferences, Seminars, Training and Business Travel

In the course of their work, staff may be required to attend conferences, conventions, seminars, workshops or other training events to represent TAF and advance its interests.

The attendance at the Conferences/Seminars/Training and Events requiring Business Travel must be pre-approved. The specific requirements to be followed in order to ensure reasonable and actual expenses incurred by employees are appropriately approved and reimbursed are outlined below.

If the travel relates to TAF's business and employee is claiming only kilometrage and parking, refer to **Section6 - Kilometrage Expenses and Parking Fees.**

a. Expenditure Limits & Approval

i. Expenditure limit and Approver

The overall limit for in-town and out-of-town conferences and seminars including travel is \$3,500 per event, per employee (net of any third party contributions and before application of HST).

ii. The conference request approval must include details of:

- registration for the main conference event/sessions;
- registration for additional workshops, study tours, etc. offered as part of or in conjunction with the conference itinerary;
- accommodation;
- travel;
- ground transportation; and
- all related expenses.

iii. Advances

Wherever practicable, the vendor should be paid directly, in order to minimize advances to employees. Where the expenses are not paid directly to the conference association, hotel or travel provider, TAF staff is encouraged to use their personal credit cards. If estimated expenses exceed \$1,000, staff may request an advance payment for the estimated cost of the event (including accommodation, per diem and local transportation), after the expense request has been approved.

iv. Claim submission

The Business Expense Report form appropriately approved and supported by original receipts, and the total of all unspent advances must be repaid to TAF. The original expense approval must accompany the claim form.

v. Report on Conference

On completion of the event, the attendee(s) shall provide to their Manager within 20 days a brief written report outlining the benefits derived from the conference attended. The report will consist of a 1-2 paragraph summary of the purpose, role, outcome and insights on the conference, and should be submitted along with the Corporate Business Expense Claim.

b. Travel Arrangements

Convenience, cost and carbon should all be taken into account when making travel arrangements; guidance on the latter is provided in Appendix A (TBD). Reimbursement for air and train travel shall be limited to economy class when attending an out of town conference or business event, and the lowest of three quotes should be chosen at the time of booking. The original ticket receipts are required to support the claim. If the employee's own vehicle is used, then the appropriate kilometrage can be claimed. The purchase of carbon offsets for air travel will be included in the cost of air travel.

c. Registration

Registration fees shall be paid in accordance with the rates established for the event by the sponsor or organizer. The original invoice or confirmation from the organization must be provided outlining details of

the event and the sessions and /or functions. The fee shall be paid in advance by TAF directly to the conference/seminar sponsor in the appropriate currency.

d. Accommodation

Reimbursement for accommodation expenses, when an overnight stay is required, shall be limited to the lesser of the room rates charged for the event or the hotel's standard rate for a single room. An original itemized receipt from the hotel must be provided to support the claim. Out of town lodging with friends/family may be reimbursed at a rate of \$75 night.

e. Meal Expenses (for overnight stay out of town)

When an overnight stay is required for an out-of-town event(s), employees may request reimbursement for personal meals (including gratuities) and necessary personal miscellaneous expenses

The maximum allowance for the duration of the event, including travel days shall be:

- breakfast \$10
- lunch \$15
- dinner \$25
- miscellaneous \$15

f. Ground Transportation

The cost of transportation to and from home/office/hotel and an airport, bus or train terminal, shall be reimbursed when supported by an original receipt. If a car rental is required, TAF employees must ensure their rental carries \$1 million in Third-Party Liability coverage.

If presto card is used, staff shall be reimbursed on the basis of a receipt.

g. Loyalty Programs

Employees travelling on TAF business may participate in loyalty programs e.g. frequent flyer programs, provided that they select the most cost-efficient mode of travel. Employees may retain the benefits offered for business or personal use provided that the use of the benefit results in no additional cost to TAF.

3. Business Meetings or Protocol Events Involving External Business Contacts

It may be necessary for staff to host business contacts who are not employees of TAF when hosting events related to TAF's business. These expenses arising from meetings held at eating establishments or other appropriate locations may be reimbursed provided they are reasonable, and necessary to promote TAF's interests.

Reimbursement for allowable expenses related to business meetings and protocol functions should include the original itemized receipt, a description of the purpose of the event and the name(s) of all person(s) being hosted and approval.

The expenses relating to alcoholic beverages consumed at these events may be reimbursed in very limited unique circumstances such as TAF hosted or sponsored events.

4. Food and Beverages (Refreshments) at Staff Meetings / Planning Days

It is normal to hold periodic meetings by TAF to discuss, plan and make decisions on TAF business. Refreshments in certain circumstances may be appropriate.

The claims for reimbursement must include the original itemized receipt, documentation of the names of attendees, location of the meeting, and a description of the purpose of the meeting. The claim must be approved by the CEO.

5. Professional Memberships and Association Fees

Memberships and association fees may be claimed when the employee is required to carry a professional designation for the performance of job duties or where, in the opinion of TAF Management, membership will benefit job performance.

Wherever possible, the payment should be made directly to the corporate entity or association, based on an original invoice from the entity using a PCard.

In exceptional circumstances where PCard could not be used then reimbursement for allowable professional memberships and association fees should be claimed using the TAF Expense Report. The claims for reimbursement must include an invoice or statement, and a receipt of payment.

6. Kilometrage (Driving) Expenses and Parking Fees

For employees who use a personal automobile for business purposes, kilometrage related to business meetings or business travel shall be reimbursed at a rate of \$0.54 per kilometre up to 5,000 kilometres annually, and \$0.48 per kilometre thereafter. This rate shall be set annually as the reasonable rate established by the Canada Revenue Agency (CRA) under section 7306 of the Income Tax Regulations, C.R.C., c.945 to ensure that the expense reimbursed is non-taxable income to the employee.

Parking fees related to business meetings shall be reimbursed for actual costs with the submission of original receipts. PCard and Petty Cash can be used to pay or reimburse for parking.

Employees who use their automobile for TAF business must carry a minimum of \$1 million in Third-Party Liability coverage.

7. Tips

TAF will reimburse reasonable payment of tips up to a maximum of 15% of the total cost of the bill. If the service charge is included in the invoice, no more tipping is allowed and will not be reimbursed. The rules apply to tips on ground transportation, restaurants and food brought to office.

8. Cellular Phone Subsidy

TAF will pay a fixed amount of \$40/month to ensure that all TAF staff can be accessed by wireless means. Actual cellular equipment choice is each staff's personal choice and responsibility. The \$40/month subsidy applies to any staff who have a personal cellular plan and who make their private cell phone number

available for TAF's internal contact list. Per the CRA, the amount of the subsidy will be reported on staff's T4's as a taxable benefit.

The subsidy amount is added to core staff's RRSP contribution cheques, issued quarterly. Others, ie: contractors, must submit an expense report quarterly to claim their cellular phone subsidy.

CRITERIA

As in all financial transactions of TAF it is expected that high moral standards, good judgment, discretion, honesty and integrity will guide the actions taken under this policy. The essential guiding principle is that all transactions covered in this policy should be in accordance with the Charter of Expectations.

Employees, as claimants, have an obligation to inform themselves of the requirements of this policy, to comply with these requirements and seek clarification from their managers as needed. Managers, as approvers, are responsible for ensuring compliance with this policy and taking corrective action, where appropriate.

ROLES & RESPONSIBILITIES

This policy shall be administered and enforced uniformly for all employees. The responsibility for monitoring compliance is shared among the following:

a. Approvers

The Approver is responsible for:

- compliance when reviewing and authorizing TAF Expense Reports.

The Approver must verify that:

- the expense is a valid and reasonable business expense, and is in compliance with the specific requirements of this policy as well as any other applicable corporate policy;
- the appropriate supporting documentation and original receipts are attached;
- the correct cost centres, cost elements and functional areas are used;
- the claim does not breach any corporate purchasing, PCard or related policies;
- the claim is submitted in a timely manner; and,
- the reimbursement to TAF for any unused advance is completed on a timely basis.

The Approver must have supervisory responsibilities for the employee making the claim.

b. Employees

The Employee, as a claimant, is responsible for ensuring that expenses incurred are reasonable, appropriately documented, properly authorized, claimed on a timely basis, and in accordance with the specific requirements of this Policy.

c. Accounting Services

Accounting is responsible for reviewing and processing the request for reimbursement for all the reimbursable expenses, except for items reimbursed through the Pension, Payroll and Employee Benefits Division (i.e. Meal Allowance, kilometrage, and parking).

Accounting will return to the Approver, without payment, any request that does not meet the requirements of this policy or is not supported by appropriate documentation.

Accounting will ensure that acceptable requests are processed on a timely basis.

Accounting Services are responsible for interpretation of this Policy, as well as reviewing for compliance on an ongoing basis. Accounting Services is also responsible for ensuring that records/documentations are maintained for seven (7) years based on the City's Retention Bylaw and the Federal Excise Tax Act.

FORMS

[Business Expense Reimbursement form](#) is to be completed and approved for claiming of any TAF business-related expenses. It is to be completed within 30 days of purchase, and submitted to Accounting for processing.