



Medicine Hat College Policy TRAVEL AND EXPENSES

Policy #:	FN-01
Policy Authority:	Executive Director, Corporate Finance
Executive Sponsor:	Vice-President, Administration and Finance
Approved by:	President and CEO
Effective Date:	March 11, 2020
Next Mandatory Review Date:	March 11, 2025
Frequency of Review:	Every 5 years

1. POLICY OBJECTIVE

This policy sets standards for planning and arranging travel to conduct authorized college business and the reimbursement of related expenses.

2. POLICY SCOPE

The policy applies to any employee, board member, student or other individual who incurs expenses while conducting business on behalf of, or representing Medicine Hat College (MHC).

It encompasses all expenses related to employee travel, professional development activities and other related business expenses.

Contractors' travel expenses are reimbursed as stated in each service contract and are not guided by this policy.

3. BACKGROUND INFORMATION

MHC recognizes that its employees may be required to travel outside their normal workplace in order to perform MHC duties or business. It is the responsibility of every claimant to utilize the most practical and economical services when planning and incurring travel commitments.

4. DEFINITIONS

- **Domestic Travel:** travel to all Canadian destinations and for which the rates set out in Appendix B shall apply.
- **Eligible Travel:** movement on authorized business of the college from one's normal place of employment to another destination, and return from there to one's normal place of employment. Includes professional development related travel for employees that is paid in full or in part from MHC funds. It specifically excludes commuting between one's home and regular place of employment.

- **Hospitality Allowance:** a per night allowance paid when an employee makes private arrangements for accommodation (friends or family.)
- **Itemized Receipt:** a receipt indicating the place and date of purchase as well as an itemized breakdown of purchases and applicable GST number.
- **Mid-Range Accommodation:** comfortable accommodation with the style and amenities associated with a medium price range establishment, relative to the geographical location.
- **Overnight Incidental:** expenses as personal phone calls, luggage delivery, room service, concierge, laundry, dry cleaning, tips etc.
- **Per Diem:** a maximum amount that may be claimed without receipts or paid invoices. All per diems shall be claimed and will be paid in Canadian funds and include any gratuity.
- **Preferred Seating:** an advance seating option providing additional comfort and legroom that is not regular seat selection.
- **Premium Accommodation:** high end, luxury accommodation in the premium price range, relative to the geographical location.
- **Prior Authorization:** can come in the form of a verbal authorization, in writing, or via email.
- **Signing Authority:** authority delegated by the Board of Governors of MHC through the President of MHC to organizational positions appointing them as agents of the college to perform transactions and execute contracts.
- **United States Travel:** travel to all American destinations for which the rates for meals and incidentals shall be the rates set out in Appendix B, but shall be in US dollars rather than Canadian.

5. PRINCIPLES

5.1 MHC acknowledges its status as a publically funded institution and takes into consideration the associated level of public accountability related to all expenditure activities of the institution. Supervisors should consider whether the request is able to stand scrutiny by the auditors and members of the public, is properly explained and documented, reasonable, and appropriate.

6. DIRECTIVES

6.1 Original itemized receipts (showing itemized breakdown of purchases) are required for reimbursement and must be provided for all travel expenses. Credit or debit card receipts are not considered itemized receipts. (Where the traveler certifies that the receipt was lost, accidentally destroyed, or unobtainable, for all expenses in excess of \$10, a personal declaration may replace the receipt.) Refer to Appendix D Lost Receipt Declaration form for further details.

- 6.2 Reimbursement for mileage, meal expenses, hospitality allowance and overnight incidentals will be paid as per Appendix B: Rate Schedule Domestic and US.
- 6.3 Travelers are responsible for claiming their own expenses and ensuring claims are compliant with policy.
- 6.4 All claims for eligible travel must be submitted to Corporate Finance within 30 days of completion of travel or the expense being incurred. Claims that are six months or older will not be processed. (Note: all claims must be submitted in line with applicable year-end deadlines.)
- 6.5 The employee must inform their supervisor of any changes to travel plans including itinerary changes and or/flight cancellations and make appropriate alternative arrangements.
- 6.6 Requests for accommodations based on a protected ground as outlined in the Alberta Human Rights Act, will be managed on a case by case basis.

7. Transportation Mode

The selection of the mode of transportation will be based on cost, duration, convenience, safety, and practicality.

If the costs associated with any travel exceed the cost of alternative methods of travel then the college will only reimburse the employee up to the level of the cheaper mode of travel. However this provision may be waived in certain circumstances with prior supervisor approval.

7.1.1 Air Travel

- (a) The lowest available economy class airfares shall be bought allowing for checked baggage, seat selection and flexibility for cancellation/changes (with a balance between direct routes and the dollar amount to be spent.)
- (b) Advanced bookings for reduced fares should be arranged whenever possible.
- (c) First checked bag will be covered if the airline has mandatory baggage charges. (Excess baggage will be covered if transporting material required to conduct college business.)
- (d) Regular advanced seat selection is reimbursable.
- (e) For flights in excess of six hours duration, the employee will be given the option of purchasing preferred seating (bulkhead, exit rows, seats with additional leg-room.) Please note that to be eligible, the flight must be in excess of six hours which does not include time spent in transit, layovers etc. This does not include upgraded travel class.
- (f) Under extraordinary circumstances, the length of time in travel followed with work related obligations immediately upon arrival may justify a request for air travel that is not the lowest available fare. Prior authorization must be sought from the Executive Director, Corporate Finance before purchasing the air fare.
- (g) Air travel will be reimbursed at actual costs. All claims for air travel must be accounted for by proof of payment including items such as a paid travel agent invoice or online booking confirmation which provides the details on the amount paid and clearly indicates dates and times of departure and the person flying.

- (h) When personal travel is combined with business travel, the employee will only be reimbursed for the business portion of the trip at the lowest available fare, allowing for cancellations and changes. See 7.1.1(a).

7.1.2 Vehicle Travel

There are three options available for vehicle travel in the following order of preference:

7.1.2.1 Rental Cars

- (a) Rental cars will be non-luxury and of standard, compact, or sub-compact size. Groups of more than four travelers may rent a larger vehicle.
- (b) The college carries an insurance policy which covers liability and collision for rental vehicles. Therefore vehicles being rented for college business in Canada or the US, should be rented in the college's name and waive the liability and collision insurance. However, employees must elect the glass coverage insurance option at the time of hire. (If the rental company does not have the option of purchasing separate glass coverage insurance, full liability and collision insurance should be purchased.)
- (c) Employees may claim for recovery of direct fuel costs, if incurred, as long as gas receipts are submitted with the claim.

7.1.2.2 College Vehicles

- (a) College owned vehicles may be available. Arrangements can be made through Facility Operations.
- (b) Employees may claim for recovery of direct fuel costs, if incurred, as long as gas receipts are submitted with the claim.
- (c) For more information regarding the use of college vehicles, please refer to 3.8 Vehicle Use for College Business policy.

7.1.2.3 Personal Vehicles

- (a) Employees are responsible for ensuring that their personal vehicle insurance covers them for business use. The college will not pay the cost of additional business travel insurance if an additional premium is charged by the employee's insurance company or any liability or insurance claims associated with the personal vehicle.
- (b) The maximum reimbursement for actual distance traveled shall be at the rates outlined in Appendix B – Rate Schedule.
- (c) For the purpose of mileage reimbursement, it is deemed that the place of departure and return is the employee's normal place of employment.

7.1.3 Accidents

In the case of an accident in either college or rental vehicles, the respective department is responsible for any amount of deductible under the policy.

7.1.4 Personal Travel Combined with Business Travel

When personal activities or family travel is combined with business travel, no expenses or risks related to the personal activities or family travel will be incurred by the college.

Reimbursement for accommodations, meals, and related expenses will only be paid for the proportion of time directly associated with college business and for the employee only.

Travel arrangements where personal travel is combined with business travel must have prior approval before booking the travel.

7.2 Sundry Transportation Expenses

Expenses such as parking, road tolls, taxis, ride-sharing, airport buses and public transportation are reimbursable subject to presentation of receipts. Sundry transportation expenses for domestic and US travel are outlined in Appendix B and for international travel in Appendix C.

7.3 Accommodation Expenses

7.3.1 Accommodation

- (a) Accommodation is provided for business travel where an overnight stay is involved in the approved travel.
- (b) The standard for accommodation, with the exception of conference hotels (within reason), is a standard room at a mid-range facility. If premium accommodation (either hotel or room) is booked, the college reserves the right to reduce the claim to a rate comparable to the mid-range facility available in the location in that time period.
- (c) Reimbursable accommodation expenses include the cost of the room, mandatory self-parking, and applicable taxes only. Valet parking will only be approved where it is a mandatory requirement of the hotel.
- (d) It is the employee's responsibility to provide timely cancellation notice when and where appropriate. The employee will be responsible for any costs incurred if they fail to give proper notice of cancellation, or if cancellation is for a non-work related reason. Cancellation due to illness is acceptable.

7.3.2 Hospitality Allowance

- (a) Receipts are not required to claim this allowance. Refer to Appendix B for the per night rate.

7.3.3 Overnight Incidental

- (a) Will be permitted for each night a college employee is away from their home community on college business. Refer to Appendix B for rates.
- (b) Receipts are not required to claim this allowance.

7.3.4 Internet and Connectivity

Internet connectivity in hotels, airplanes and other public places is reimbursable when used primarily for the purpose of conducting college business.

7.4 Meal Expenses

- (a) For each meal that is required while away from home on college business, the employee will claim a per diem, with no requirement to provide receipts. If the employee is **NOT** on college business or **NOT** away from home, no meal allowance claim is permitted.

- (b) To be eligible to claim meal expenses, return travel must be equal to or greater than 100km.
- (c) Meal per diems will be paid based on the following schedule:

	<u>Departure before or at</u>	<u>Return at or after</u>
Breakfast	7:30am	9:00am
Lunch	12:00pm	1:30pm
Dinner	5:00pm	6:30pm

- (d) Refer to Appendix B for rates which include tips and taxes and Appendix C for international travel.
- (e) An employee may NOT claim a meal allowance for meals included in registration fees for conferences, meetings, airfares, or if the meal is paid for by a third party (another institution or business associate.)
- (f) Meal expenses incurred locally are not reimbursed unless incurred while hosting and in accordance with policy 4.13 - Hosting Expenses.
- (g) Alcohol is not reimbursable as part of a travel or meal expense, other than as stipulated in policy 4.13 - Hosting Expenses.
- (h) Where meals or beverages, while travelling for college business purposes, are purchased for the purpose of hospitality, hosting or community relations, policy 4.13 - Hosting Expenses will apply.
- (i) Meal claims cannot be submitted before travel takes place unless otherwise approved under policy 4.15 - Expense Advance to Employees.

7.5 Tips/Gratuities for Meals and Ground Transportation

Tips/gratuities are a reimbursable expense and should be appropriate to the location, service level and local protocol and are never to exceed the rate shown in Appendix B, of the total bill.

7.6 Passport and Travel Visas

Passports and the costs associated with them are the responsibility of the employee. Travel visas and the costs associated with them are the responsibility of the college.

7.7 Inter-Community Travel

When a personal vehicle is used to travel within the community on college business, the college will reimburse for actual distance travelled at the rates outlined in Appendix B.

7.8 Travel Advances

Please refer to policy 4.15 - Expense Advance to Employees.

7.9 International Travel Expenses

For further information regarding international travel other than what is outlined in Appendix C, please refer to policy 4.16 - International Travel.

7.10 Travel Incentive Programs

Employees travelling on college business can join loyalty programs and retain points earned for personal use, subject to the following terms and conditions:

- (a) There are no additional costs to the college.
- (b) Employees cannot select one carrier versus another to obtain points if the result is a higher fare.
- (c) MHC will not reimburse employees for the value of travel vouchers or incentive points used to pay for business travel.
- (d) College business paid in part or full by the converted points is subject to this policy.
- (e) It is the personal responsibility of the individual employee to determine if they are required to declare a taxable benefit on their income tax return.

7.11 Ineligible Expenses

The college has the sole right to determine eligible expenses. The following expenses (including but not limited to) will not be reimbursed:

- air travel cancellation insurance;
- personal grooming expenses and services (barbers or hairdressers);
- car washes;
- costs resulting from failure to cancel a guaranteed reservation;
- medical bills, prescriptions etc;
- toiletry articles;
- movie rentals;
- traffic and parking violations;
- travel claims without appropriate documentation or receipts (unless Lost Receipt Declaration is provided);
- fees for preferred seating for flights less than six hours;
- excess baggage more than one bag unless transporting college material required to conduct college business;
- personal internet and connectivity charges;
- alcoholic beverages;
- any expense that may be perceived by the public and the auditors as unnecessary, excessive, unreasonable, unjustifiable or not properly documented; and
- other items not explicitly covered by the travel policy.

If any ineligible expenses are paid for using college resources, the employee that incurred the ineligible expense will be asked to reimburse the college for that ineligible expense.

8. RESPONSIBILITIES

8.1 **Signing Authorities** are responsible for

- (a) ensuring completion of all relevant forms,
- (b) providing authorization in accordance with the requirements of the policy, and
- (c) ensuring the claim, in its entirety, meets the test of reasonability.

8.2 **Vice-President, Administration and Finance** is responsible for making a final and binding decision in the event where a determination of reasonableness is required.

9. RELATED POLICIES

- 3.8: Vehicle Use for College Business
- 4.13: Hosting Expenses
- 4.15: Expense Advance to Employees
- 4.16: International Travel
- 4.18: Disclosure of Travel and Expenses

10. RELATED PROCEDURES

- PR-FN-01-01: Travel and Expenses

11. RELATED INFORMATION

- Appendix B – Rate Schedule (Domestic and US)
- Appendix C – Rate Schedule (International)
- Appendix D – Lost Receipt Declaration

ORIGINAL COPY SIGNED

Kevin Shufflebotham
President and CEO

Date: March 11, 2020

ORIGINAL COPY SIGNED

Wayne Resch
Vice-President, Administration and
Finance

Date: March 11, 2020

DOCUMENT HISTORY

February 2018	Revised policy approved
March 2020	Revised policy approved