



HOSTING EXPENSES

Section: Financial Services
No: 4.9
Effective Date: October 2012
Revised:
Approved by: President

Policy Statement

Medicine Hat College will extend appropriate hospitality, including entertainment, when it serves the college's interests by enhancing stakeholder relations.

Purpose

To ensure that hospitality and entertainment extended by the college is managed in a consistent and cost-effective manner and that all expenses and claims provide appropriate, documented evidence of reasonability to internal auditors, external auditors and members of the public.

Scope

This policy applies to all employees and any other college representatives with approved signing authority and access to college funds for hosting purposes and applies to college funds used for hosting purposes.

Principles

As a publicly funded institution, Medicine Hat College is committed to conducting its business affairs in a consistent and cost-effective manner, guided by the following principles:

- **Accountability:** where all parties have a clear understanding of approval authority and their respective accountability.
- **Transparency:** where the application of this policy is consistent, fair and equitable and demonstrates appropriate business practices.
- **Trust:** where employees are trusted to exercise appropriate discretion in the application of this policy.
- **Efficiency:** where the application of this policy is beneficial and cost-effective.

Definitions

Detailed Receipt: a receipt provided by the vendor or supplier which itemizes the goods or services purchased, indicates the date, name of facility, amount of tax charged and a total.

Hosting Expense Reimbursement Form: a college produced document listing expenses related to a hosting activity.

Social Events: an event organized by the college for a specific social purpose including, but not limited to: department Christmas party, team building exercise, retirement recognition, or employee appreciation.

Meeting: an assembly or gathering of employees and/or other college representatives for a purpose that supports the business of the college.

Reasonable Expenses: expenses that are appropriate to the object and/or significance of the event and that can withstand the test of reasonability (being within the bounds of common sense, showing sound judgment, or not being excessive or extreme) by internal auditors, external auditors, and members of the public.

Procedure

Financial Control and Reporting

As a publicly funded institution, expenditures on hospitality and entertainment must not exceed approved budget limits, must be for official purposes, must not be excessive, and should be able to withstand public scrutiny.

Hosting related expenses must be approved by the claimant's administrative supervisor with signing authority. Signing authorities are responsible for ensuring all reimbursements for expenses adhere to this Policy, please also refer to Policy 5.7 - Signing Authority and Limitations.

Employees who pay for hospitality and entertainment expenses may request reimbursement from Financial Services by completing a Medicine Hat College Hosting Expense Reimbursement Form (Appendix A). A detailed description of expenses, the purposes of the expense, a list of persons involved, and appropriate signatures are required. Forms must be accompanied by all required supporting documents or the payment may be delayed or even denied. Original copies of detailed receipts are required to avoid duplicate payments and to ensure proper claiming of GST input tax credits.

Once completed The Hosting Expense Reimbursement form is submitted to Financial Services within one (1) month following the event or return date OR by June 30th, whichever comes first.

Please note, that if payment of hosting expenses has been made using a Medicine Hat College purchasing card, the Hosting Expense Reimbursement Form may be used to document all costs incurred, but is not required as long as the required information is provided.

Allowable Hosting Expenses

The following provides examples of allowable expenses:

- Meals and refreshments for prospective employees, visitors, volunteers, or donors.
- College sponsored receptions to acknowledge employees for long service and/or outstanding accomplishments; honour visitors, guests or dignitaries; official openings of buildings, art exhibits, etc.; fundraising and donor recognition events; ceremonies such as convocations or public announcements.
- Meals or refreshments at meetings when groups of employees are giving up personal time to conduct college business.
- Business meetings held off-campus.
- Meals or refreshments served at college sponsored seminars, workshops, orientations, retreats, or other college functions.
- Meals or refreshments served during college sponsored meetings of advisory groups or other committees when the group is composed of both college employees and non-employees.

Costs and Payment

- Costs incurred must be reasonable and appropriate to the business purpose of the event.
- Based on the total value of the transaction(s), the appropriate purchasing method (expense claim, purchasing card or purchase order) must be used.
- Authorizing officers of the college have the authority and responsibility to determine the overall reasonableness of the hospitality claim, ensuring expenses are well documented.
- Expenses are paid and claimed by the most senior position in attendance, provided that this person is not an honouree of a hosting event. These expenses are reviewed and approved by the claimant's administrative supervisor.
- Any exceptions to this policy must be approved in writing, by the President, or appropriate Vice-President, prior to planning the event.

Alcoholic Beverages

The cost of a prudent amount of alcoholic beverages may be considered an allowable expense under the following circumstances:

- Where the primary purpose of the event is fundraising, fostering community partnerships or international outreach.
- College events such as employee recognition, Board of Governors' and President's dinners/receptions.
- Social events as recognized and approved by the President.

Alcoholic beverages served at Medicine Hat College must be done so in accordance

with all applicable laws, regulations, and other related policies of the college. Please refer to Policy 5.14 – Alcohol Management for further information.

Entertainment

The college pays reasonable expenses for employees to participate in events which provide the opportunity to host and extend entertainment to invited guests when doing so serves the college's interests by enhancing stakeholder relations. Examples of allowable entertainment expenses include:

- Attendance at sporting, cultural or community events.
- Hosting at functions such as special dinners, receptions, performances or other major events being conducted at the college or off-campus.

Participation in entertainment can only be approved where there is a clear, demonstrable benefit to be obtained for the college.

Home Entertaining

In some situations, hosting/entertainment at a college employee's home can be more desirable than another location. When a college employee hosts an allowable event in their home, reimbursement may be granted for food, beverages, and other expenses directly related to the event.

Meal Vouchers

For hosting guests on campus, meal vouchers may be obtained from Financial Services for use at either the coffee shop or the cafeteria. Vouchers may be obtained for each person or group of people to be hosted. The applicable GL code must be provided to Financial Services personnel at the time of requesting the voucher. The voucher must be presented at the time of purchase, no substitutes will be accepted. Food Services personnel will forward all required documentation to Financial Services for to receive payment. Meal vouchers fall under the same authorization parameters outlined in Policy 5.27 – Signing Authority and Limitations.

Gifts and Tokens of Appreciation

Gifts and tokens of appreciation are acceptable business expenses when they are:

- A result of the normal exchange of hospitality between Medicine Hat College and an external party or business, or
- Part of an established protocol, or
- Recognition of a special service to the college.

Where the purchase of gifts and tokens of appreciation are not considered in other Medicine Hat College Policy (e.g. Employee Recognition) any gifts or tokens of appreciation valued at over \$25.00 must be approved by a member of the college's executive (Chief Financial Officer/Vice-Presidents/President/CEO)

Political activity

Political activity is subject to the Political Participation Policy. Political expenses, for example the purchase of political event tickets or attendance by college personnel at a political fundraising dinner, are personal in nature and will not be reimbursed by the college.

REFERENCES

- Policy 5.14 – Alcohol Management
- Policy 5.27 – Signing Authority and Limitations
- Policy X.XX – Political Participation Policy

APPENDICES

- Appendix A - Hosting Expenses Reimbursement Form