VECTOR INSTITUTE

Travel Meal and Hospitality Policy

1. Purpose

The purpose of this Policy is to:

- Define the travel approval delegation of authority consistent with the requirements of the Vector Institutes funders.
- Establish what constitutes reasonable allowable expenses that are necessarily incurred in the performance of Vector Institute business.
- Provide appropriate oversight and control.

2. Scope

This Policy covers all travel, meal and hospitality expenses while undertaking business on behalf of the Vector Institute including the associated approval.

This Policy applies to:

- The Board Chair, Board members, the Chief Executive Officer (CEO) and those personnel charged by the CEO with the responsibility to approve travel in order to meet the operational requirements of the Vector Institute.
- All Board members, employees/staff, trainees/students, secondees and external persons that request the reimbursement of travel, meal and hospitality expenses incurred on behalf of the Vector Institute.

3. Principles

Vector Institute is committed to reimbursing legitimate, authorized and reasonable expenses necessarily incurred for Vector Institute business.

The principles of accountability, transparency, value-for-money, and fairness in this policy are set out in the Government of Ontario's *Broader Public Sector Expenses Directive.* Accordingly, all financial resources are used prudently and responsibly with a focus on accountability and transparency.

Requestors/Claimants and Approvers shall use their integrity, prudence, good judgment and discretion in the application of this Policy.

Travel requires pre-approval by the appropriate delegated authority as outlined in this Policy.

Travel approval is subject to availability of funds within Vector Institute's approved budget or confirmed funding from a third-party source.

Expenses must:

- Support Vector Institute objectives,
- Be work-related,
- Be reasonable and appropriate, and

- Strike a balance among economy, health and safety, efficiency and productivity of operations.

Vector Institute assumes no obligation to reimburse expenses that are not in compliance with this Policy.

4. Definitions

Approver for Expenses: The person(s) who is/are authorized to approve the claimant's expenses.

Approver for Travel*:* The person(s) who authorizes and approves the Requestor's travel plan prior to travel taking place.

Claimant: The individual that is submitting an expense claim for reimbursement.

Employee/Staff: An individual who works for Vector, including Faculty and Research Scientists that receive compensation from Vector as well as Postdoctoral Fellows and Graduate Students supervised by Vector Faculty Members.

***Requestor*:** The individual that is submitting a request for approval to travel accompanied by an estimate of his/her travel expenses.

5. Content

TRAVEL APPROVAL

Pre-approval to Travel
Claimants are responsible for obtaining written approval in advance of incurring an expense from the person with authority to authorize the expense with information provided on the purpose of the trip and likely costs to be incurred.

Travel Approval Delegations of Authority

Travel by Vector Institute Employees

- Travel within the Greater Toronto and Hamilton area and the Kitchener-Waterloo corridor area: Requires prior written approval of a Director-level manager or above.

- Travel within Ontario: Requires prior written approval of either the Director, Human Resources & Corporate Services or a VP or above.

- Travel within North America (outside Ontario): Requires prior written approval of the COO/CFO or above.

- Travel outside North America: Requires prior written approval of the COO/CFO and Board Chair.

Travel by the CEO or COO/CFO

- Chair for CEO
- CEO for COO/CFO

Travel by Members of the Board of Directors and Committee Members

- CEO, with delegation to the COO/CFO if CEO is not available
- Chair's expenses to be approved by the Chair of the Audit and Finance Committee

Travel by Other Individuals

- CEO with delegation to COO/CFO if so desired

○ *Loyalty Programs*

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

Eligible Expenses

ACCOMODATION

Accommodation will be reimbursed for single accommodation in a standard room in a moderate range hotel. Higher charges for accommodation on executive floors or concierge levels will not be reimbursed. If the traveller is staying in private, non-commercial accommodation (such as with family/friends) a gratuity in lieu of lodging expense of $30 per day is permitted.

MEALS FOR SELF (for Canada, USA or International)

A fixed Canadian dollar allowance covering meals and incidental expenses (e.g., gratuities for housekeeping services and bell hops, etc.) may be claimed, without receipts, in lieu of specific expense reimbursement. Vector's expense reimbursement rates will follow those set out by the University of Toronto (as periodically updated). Rates can be found in the addendum to the expense reimbursement claim form. Alcohol is not an allowable expense.

TRANSPORTATION

▪ *Air travel*

Air travel is permitted when it is the most practical and economical way to travel. For domestic and international flights, the standard class of service is the least expensive economy class fare. All other business class and premium economy travel may be permitted (e.g., flights in excess of six hours, or for medical reasons) if pre-authorized by the COO/CFO.

Because significant savings can be realized by making reservations in advance, all employees should plan their travel at least 14 days prior to departure.

Open tickets should not generally be purchased unless pre-authorized by the COO/CFO.

No reimbursements can be claimed for air tickets purchased with frequent flyer points, as Vector will only reimburse for out of pocket expenses.

Flight Travel Restrictions:

- No more than twenty-five percent (25%) of employees from the same department may travel together on the same flight.
- No more than twenty-five percent (25%) of the President, Vice Presidents and the Chief Financial Officer may travel together on the same flight.

▪ *Rail Transportation*

The standard class of service is the least expensive economy class fare. However, to destinations where the travel time exceeds 6 hours a business class fare is permissible. The rationale is that the cost of business class rail service in these cases may be less expensive than travel by air when considering the inclusion of meals in business class rail fares, potential savings in travel to the airport, and fare differentials.

Caution: Some granting agencies, such as the Tri-Agencies, specifically limit air and rail travel reimbursement to the lowest available fare.

- *Road Travel*

Road travel is permitted when it is the most practical and economical way to travel. Travellers may choose to rent a car or to use a personal vehicle.

- *Personal Vehicles*

1. Use of Personally Owned Vehicle – General

It is recommended that a personally owned vehicle be used only for short journeys where this constitutes the most economical and convenient means of transportation or where no suitable public transportation is available.

2. Limitation

The standard is that a personally owned vehicle may be used for trips up to 550 km in round trip length. For longer trips a traveller may elect to use his or her own vehicle, but reimbursement for kilometrage will be limited to the equivalent least expensive mode of transportation to and from that destination.

3. Rate of Reimbursement

All kilometrage travelled in a personal vehicle when conducting business (subject to the 550 km limit mentioned above) will be reimbursed on a cents per kilometre basis. Vector's expense reimbursement rates will follow those set out by the University of Toronto (as periodically updated). Rates can be found in the addendum to the expense reimbursement claim form.

The number of kilometers driven must be clearly indicated on the expense claim. Parking fees, ferry and highway tolls paid while on Vector Institute business will be reimbursed.

Vector Institute assumes no responsibility for personal vehicles. It is the driver's responsibility to ensure that their vehicle is insured at their own expense for personal motor vehicle liability. The driver is responsible for ensuring that the vehicle includes coverage for business use of the vehicle.

- *Car Rental*

The size of the rental vehicle must be the most economical and practical required for the business task and number of people travelling. Cars must be returned refueled wherever possible to avoid higher gasoline charges imposed by the rental company. If the credit card used to rent the vehicle does not include vehicle rental insurance, purchase of collision and liability insurance available from the rental agency will be reimbursed. Vector Institute does not cover collision damage.

- *Other Road Transportation*

Public transit should be used when travelling on Vector Institute business wherever possible. Taxicab/Uber (and equivalent) expenses are accepted based on cost effectiveness of travel time and in exceptional circumstances. Taxicab/Uber (and equivalent) fares between home and office may be claimed in exceptional circumstances including:

- Where other means of transport are not available
- Health and safety considerations
- Weather-related considerations
- Where transport of work-related baggage or parcels is required.

Personal Travel Combined with Business Travel

When personal travel is combined with business travel, the employee will be reimbursed for only the business portion of the trip at the lowest available fare.

Personal flights booked in conjunction with business travel must be scheduled within the seven days immediately preceding, or immediately following the business-related event, unless otherwise approved in advance of booking, by the COO/CFO.

Where the allocation of business versus personal travel is not clearly evident e.g., a multi-destination airline ticket where one or more of the destinations is for personal travel, then an airfare quote for the "business portion only", taken at the same time as the actual airline booking, should be provided to the approver. The airfare quote for the business portion of the trip will be the reimbursable amount, if this amount is lower.

For example:

A staff member plans to attend a conference in Calgary and, at the end of the conference, fly to Vancouver for some personal time off. When booking the travel arrangements, the staff member will:

(1) Obtain a quote for the Toronto-Calgary-Toronto flight. This is the "business" portion of the trip;

(2) Book the travel arrangements for the Toronto-Calgary-Vancouver-Toronto flight segments.

When submitting the request for reimbursement, the original invoice for the cost of the airfare booked (see item (2)) should be submitted along with the quote for the "business" portion obtained (see item (1) above). The quote for the "business" portion would be the reimbursable amount unless the actual amount paid for the entire trip (see 1) was less.

It is the responsibility of the approver to ensure that the quote and the actual invoice are comparable and represent the same booking conditions i.e., both amounts were obtained on the same day, etc.

It is strongly recommended that travel arrangements where personal travel is combined with business travel are brought to the attention of the approver **prior** to booking the travel.

STAFF EVENTS AND TRAINING

Staff events such as training and education sessions, retreats working meetings and corporate events are permitted. Decisions relating to expenses should be based on consideration of value for money, transparency and accountability. Alcohol is not an acceptable expenditure at staff events. Staff events and training must receive prior approval by the COO/CFO.

For clarity, any working meeting involving only Vector's professional staff or BPS or provincial government staff is not considered to be a hospitality event under the *Broader Public Sector Expenses Directive*.

For further clarity, approved meal expenses for staff events should not exceed the in Canada per diem meal allowance amounts without explicit authorization of either the COO/CFO or President & CEO.

HOSPITALITY

Reasonable costs of meals or hospitality, when providing for a specific business-related purpose, are reimbursable. There must be *clear* documentation as to the business purpose of the hospitality (e.g., taking out a guest lecturer for a meal, or interviewing a prospective employee) noting the names of the individuals, or the group, involved.

Vector will reimburse a maximum daily per person food and beverage cost for hospitality consistent with the requirements of the Government of Canada *Treasury Board Directive on Travel, Hospitality, Conference and Event Expenditures* and the *National Joint Council Directive*. Rates can be found in the addendum to the expense reimbursement claim form.

With respect to the reimbursement of alcohol, it should be provided in a reasonable manner (for example food should always be present). Preference should be given to wine, beer, spirits produced in Ontario.

The most senior Vector employee is responsible for paying for the cost of hospitality and submitting the claim for reimbursement.

OTHER

○ *Gratuities*

Reasonable gratuities for meals, bell service and hotel room service will be reimbursed. No receipt is required to support reimbursement of these expenses.

○ *Travel related long distance and internet access charges and other business expenses*

All staff and researchers should use the most cost effective means available when incurring long-distance charges, computer access charges and other incidental travel expenses. For international travel, arrangements should be made to purchase a roaming package to avoid roaming charges.

Reimbursement will be made for reasonable costs for necessary personal calls home for each night away. The most cost-effective method must be used. Additional business expenses such as phone calls, photocopying, facsimile transmissions, internet connections including VPN for access to sensitive information, and rental of necessary office equipment will also be reimbursed.

○ *Personal Care Items*

○ If travelling on business for 5 consecutive days or more, up to $25 per day may be claimed for laundry and dry cleaning services. An expense report and accompanying receipts must be submitted in order to be eligible for reimbursement.

○ *Dependent Care*

For the purposes of this policy, a dependent is a person who resides with the traveller on a full-time basis and relies on the traveller for care (e.g., a child or parent).

Expenses for dependent care may be reimbursed under the following circumstances:

- If travel is occasional or unexpected and the traveller incurs expenses above and beyond usual costs for dependent care as a direct result of travel.
- If the individual is required to work outside of regular business hours on an exceptional basis, and approval for such costs have been made at a manager's discretion.

In these situations, costs may be reimbursed up to the following daily maximums:

- $75 per day if there is a caregiver's receipt
- $35 per day if a written explanation is provided

If travel is an expected part of job duties, there is no reimbursement for dependent care travel, except if the requirements of the job or personal circumstances change unexpectedly.

Prior written approval by the CEO or COO is required, as well as an explanation of the circumstances.

Gifts of Appreciation
Gifts valued at $30 and under may be extended to persons who are not provided with an honorarium and have completed work for the Vector Institute on a pro bono basis.

INDEPENDENT CONSULTANT AND THIRD-PARTY CONTRACTORS
Reimbursement for allowable expenses (other than non-eligible expenses set out below) can only be claimed when the contract specifically allows for it and is consistent with the Broader Public Sector Expenses Directive.

Consultants and other contractors will not be reimbursed for any hospitality, incidental expenses, including:
- Meals, snacks and beverages.
- Gratuities.
- Laundry or dry cleaning.
- Valet services.
- Dependent care.
- Home management.
- Personal telephone calls.

EXPENSE CLAIM REIMBURSEMENT

○ *Submission of Expense Claims*
Expense claims must be signed and submitted in a timely manner, generally within 30 days of incurring the expense.

- Expense claims must include: Original receipts with itemized details of charges and taxes. Credit card slips will not be accepted as proof of expense
- Receipt from a bank or foreign exchange company showing the exchange rate paid for foreign currency used to pay expenses
- Copy of credit card statement or proof of purchase from a credit card company, showing the amount of the expense in a foreign currency charged in Canadian dollars.

If a receipt is lost, misplaced, accidentally destroyed, not provided by the vendor it may be reimbursed at the discretion of Vector.

When expenses are incurred on behalf of more than one individual representing Vector, the individual at the most senior level is responsible for the settlement of the bill and submission of the expense claim reimbursement form.

Non-Reimbursable Expenses
The following items are not eligible for reimbursement
- Recreational expenses (mini bar charges, movie rental etc.)
- Personal items
- Social events that are not hospitality events
- Fines and penalties
- Expenses for an accompanying spouse, friend or family member

- **MANAGERIAL DISCRETION**

Managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with the intent of this Policy. All decisions to use discretion should be taken very seriously. When discretion needs to be exercised, approvers should consider whether the request is:

- able to stand up to scrutiny by the auditors and members of the public;
- properly explained and documented;
- fair and equitable;
- reasonable;
- appropriate.

It is the responsibility of the approver and the claimant to work out appropriate arrangements which would meet these requirements.

6. Public Posting of Vector's TMH policy

This policy including the reimbursable rates is to be posted on Vector's website , in accessible formats.

7. Responsibilities

Board/Board Chair, CEO, COO/ CFO

- Complying with this Policy.
- Pre-approving travel in accordance with this Policy

Requestor's/Claimant's Responsibilities

- Obtain all appropriate approvals before incurring expenses; if no prior approval was obtained, then a written explanation must be submitted with the claim.
- Exercise integrity, prudence and good judgment when incurring business travel, meal and hospitality expenses on behalf of Vector.
- Ensure that amounts claimed for expenses are accurate, complete, reasonable and in accordance with this Policy.
- Obtain the appropriate approval for expenses being claimed.
- Provide original itemized receipts or supporting evidence when an original receipt cannot be provided for all claims; credit card slips are not sufficient.
- Submit any expense claims before leaving the organization.

Approver's Responsibilities

Approvers are expected to ensure that expenses are:

- Business-related and for Vector purposes only.
- Incurred in the most economical manner.
- Reasonable based on the explanations provided by the claimant.
- In compliance with the principles of the Policy.
- Approved within their delegated authority and shall not approve their own expenses.

Chief Financial Officer

- Reviews the University of Toronto reimbursement rates on a regular basis to ensure congruence with Vector rates.
- Ensures that a process is in place so that proper records are kept for verification and audit purposes.

Approval Authority

Claims for expense reimbursement require approval from at least one member of the senior leadership team and one other individual on the professional staff trained in the Travel, Meal, and Hospitality Policy.

8. Review

This Policy shall be reviewed every two (2) years or earlier if deemed necessary (e.g., any change in the Directive) and any amendments shall be reviewed and recommended to the Board for its approval.

9. Appendices

- Expense Reimbursement Claim must be processed via SAP Concur Travel & Expense Management System
- Reimbursement Rates
- June 20, 2018 Memorandum on Expenditure Restraint and Vector's Travel, Meal, and Hospitality Policy

Expense Reimbursement Claim must be processed via SAP Concur Travel and Expense Management System

Vector Institute Reimbursement Rates

Reimbursement rates below align with those of the University of Toronto, which were last updated February 1, 2020: (https://finance.utoronto.ca/policies/gtfm/travel-and-other-reimbursable-expenses/reimbursement-rates/).

Further, the reimbursement rates are compliant with the travel allowances identified in the *National Joint Council Travel Directive*, as well as the maximum per person cost limits set out in the Government of Canada *Treasury Board Directive on Travel, Hospitality, Conference and Event Expenditures*.

USE OF PERSONALLY OWNED VEHICLE

- The kilometrage rate allowed for use of a personally owned automobile while on approved Vector business is $0.57 cents per kilometer.
- This allowance is intended to cover all automobile operating costs, including gasoline, insurance, repairs and maintenance.

PER DIEM MEAL ALLOWANCE

A fixed **Canadian dollar** allowance covering meals and incidental expenses (e.g., gratuities for housekeeping services and bell hops, etc.) may be claimed, without receipts, in lieu of specific expense reimbursement:

	In Canada	**USA or International**
Breakfast	$15.00	$20.00
Lunch	$20.00	$25.00
Dinner	$45.00	$55.00
Total Daily Allowance	$80.00	$100.00

Please note that it is not permitted to claim a full per diem when at conference if the conference fees include a meal component, or if travel begins in the middle of the day**.**

GRATUITIOUS ACCOMMODATION

The maximum rate for accommodation with friends/relatives while on approved Vector business is $30.00 Canadian per night. There should be no hotel expenses claimed for the same time period.

HOSPITALITY – MAXIMUM DAILY FOOD AND BEVERAGE COST PER PERSON

Hospitality rates are set out below may be claimed and require receipts in order to claim reimbursement:

Breakfast	$42.98
Refreshments	$14.33
Lunch	$56.70
Reception	$57.30
Dinner	$124.29