

TITLE: HOSTING AND BUSINESS EXPENSES

TITLE: HOSTING AND BUSINESS EXPENSES..... 1

POLICY STATEMENT: 3

PURPOSE:..... 3

SCOPE:..... 3

PRINCIPLES:..... 3

DEFINITIONS: 3

GUIDELINES:..... 4

 Recipients of Hospitality 4

 Provision of Alcoholic Beverages 5

 Location..... 5

 Authorization 5

 Documentation 6

 Reimbursement of Eligible Expenses 6

 Financial Control 7

 Disclosure of Expenses..... 7

PROCEDURE:..... 7

 External Hosting..... 7

 Working Sessions 7

 Events..... 8

 College Organized Events..... 8

 Externally Organized Events 9

 Gifts and Tokens of Appreciation..... 9

 Donations and Sponsorship 10

 Public Expense Disclosure..... 10

OFFICER RESPONSIBLE: Vice President College Services..... 10

RECOMMENDING AUTHORITY: Service Council 10

CONSULTATION FOR REVIEW: Service Council, Deans’ Council 10

POLICY REVIEW DATE: February 2016..... 10

EFFECTIVE DATE: February 1, 2013	10
REVISION HISTORY: November 1, 2010	10
RELATED POLICIES:	10
CONNECTION TO BOARD POLICIES:	10
APPENDICES	11
Appendix A	12
Eligible Hospitality – Examples	12
Ineligible Hospitality – Examples	12
Appendix B	13
Lost Receipt Declaration Form.....	13

POLICY STATEMENT:

Red Deer College (RDC) pays expenses necessarily incurred during the course of participating in community relations, hosting of guests, working meetings and conducting the business of the College. The expenditures incurred for these purposes are incurred in a cost efficient manner with due regard for accountability.

PURPOSE:

The purpose of this document is to set standards for incurring, reimbursing and reporting expenses associated with conducting authorized College business and participation in community events, to ensure all expenses and claims provide appropriate documentation and sufficient evidence of reasonability to internal auditors, external auditors or members of the public.

SCOPE:

This Policy and associated procedures apply to all employees and officers of RDC, to RDC students and volunteers. It encompasses all expenses related to hosting, community relations and other business activities.

The Policy does not apply to funds held on behalf of others unless within the scope of agreement with the funding agency.

PRINCIPLES:

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

Integrity – aligning actions, methods, principles, expectations and outcome with those of the funding agencies and members of the public.

Trust – relying on the discretion and latitude of its employees and officers to act in a fair and reasonable manner.

Accountability – establishing an environment and processes where employees and officers of the College have a clear understanding of their respective accountabilities.

Transparency – ensuring consistent, fair and equitable application of the policy and its procedures.

Efficiency – maximizing the ease and efficiency of the claiming process for both employees and the College.

This Policy is consistent with the laws of Canada and the Province of Alberta, with all applicable legislatures and with other policies of the College.

DEFINITIONS:

College associate: A friend of the college, a past or present donor, alum or any member of the community that unites with the college in pursuing a common goal

College officer: A senior leader or a member of the Board of Governors of RDC

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 taxes charged and a total.

Donation: A gift of money or property given to a registered charitable organization without valuable consideration to the donor.

Event: A social gathering, activity or function where hospitality is extended to a large group of employees and/or community members (e.g. graduation, open houses, fundraising activities etc.). Can be organized by the College or another organization.

Expense report: A document listing expenses related to business, hosting or travel activity of the employee or office of the College; most often in the form of a Purchasing Card Statement and Travel & Expense Claim.

External hosting: A reception arranged for guests external to the College, related to the conduct of College business (e.g. visits by official visitors to the College, greeting prospective employees or prospective students etc.)

Reasonable expenses: Expenses that are appropriate to the objective and/or significance of the event and that can withstand the test of reasonability by internal auditors, external auditors or members of the public.

Senior leader: Exempt employee at the Dean/Director level and higher.

Spending authority: a power delegated to select College positions to authorize expenditures up to a specific amount.

Working sessions: Functions involving only people who work for the College and arranged for the purpose of conducting College business, employee recognition, training session, workshop, retreat or similar.

GUIDELINES:

Recipients of Hospitality

- RDC extends hospitality when it serves the College's interests by enhancing community and public relations and to recognize excellence of College employees and students.
- Hospitality may be extended on behalf of the College to the guests of the college, government and business representatives, persons that are not remunerated for the services they provide to the College, prospective faculty, students and staff, donors and [college associates](#).
- College employees and officers hosting external parties are responsible for:
 - Documenting and justifying the list of college representatives
 - Keeping the number of college representatives to a necessary minimum
- The College reimburses its employees and officers for necessarily incurred [reasonable expenses](#) related to hosting while conducting College business, **unless** the expenses:
 - Are personal in nature, or
 - Cause employees to gain financially from College related activities, or
 - Can be deemed by Canada Revenue Agency (CRA) as additional compensation.

- Volunteers are reimbursed for direct expenses related to their volunteer work for RDC. No gift cards can be awarded as means of volunteer recognition. Meals and non-alcoholic refreshments during their volunteer time or as means of recognition for their involvement can be provided, as appropriate to the level of contribution.
- No payments, stipends, subsidies or reimbursements should be made to students unless they are in the form of:
 - Payment for service (through employment or service contract or volunteer contribution where only direct expenses can be reimbursed)
 - Payment for education (in the form of financial assistance through scholarships and awards programs)
 - Reimbursement of expenses for representing the College at athletics, corporate or other events
- Expenses related to the students' attendance at conferences, optional field trips, program year-end celebrations and similar, are not eligible College expenses.
- Where expenses are incurred in the process of attraction and retention of students and/or employees, these are incurred at the College-level and are acceptable and expected business expenses. This includes college-wide orientation, graduation and recognition events.

Provision of Alcoholic Beverages

- RDC recognizes that alcohol may be provided at fundraising and special events organized by the College. Expenses related to purchase of alcohol in organizing these functions are acceptable business expenses. Cash bar expenses incurred at these functions are not claimable by individual attendees.
- At the events hosted by RDC where alcoholic beverages are available, in order to minimize the risks to the College and its employees, the College encourages the use of a pre-determined designated driver or public transportation.
- While entertaining guests of the College, purchase of alcoholic beverages is limited to a maximum of one drink per person per occurrence. To qualify for reimbursement, original itemized receipts related to the purchase of alcohol must be signed by the respective [senior leader](#).

Location

- External hosting or an event can take place on or off campus or when traveling on College business.
- Off campus working sessions are only advisable when campus facilities are not available or not suitable for the occasion and off campus meetings are specific to a goal attainment or agenda accomplishment.

Authorization

- An individual who is a participant at a hospitality event may not approve expenses related to those events. These expenses are reviewed and approved by the claimant's supervisor with spending authority.
- Approvers have the authority and responsibility to determine the overall reasonableness of the hospitality claim, ensuring expenses are well documented.
- When a request warrants exercising one's discretion, approvers should consider whether the request is:
 - Able to stand up to scrutiny by the auditors and member of the public
 - Properly explained and documented
 - Reasonable and
 - Appropriate.
- Any exceptions to this Policy must receive a **written prior approval** from the President or one of the Vice Presidents.

Documentation

- Original [detailed receipts](#) are required to avoid duplicate payments and to ensure proper claiming of GST input tax credits.
- Every effort must be made by the claimant to obtain the receipt; however, where one is not available, the [Lost Receipt Declaration Form](#) (Appendix B) must be completed and approved for all expenses in excess of \$10CAD. Habitually or excessively absent original itemized receipts may be a valid reason for denying an expense claim.

Reimbursement of Eligible Expenses

- Where RDC employees and officers incur expenses as described in this Policy, they itemize by date all expenses using RDC [Travel and Expense Claim form](#), describing expenses in detail, including a purpose of the expense and persons or organizations in attendance.
- The Travel and Expense Claim form is completed and submitted to Financial Services within one (1) month following the event or return date, or by June 30, whichever comes first.
- Reimbursement of expenses is made upon the presentation of complete documentation of the expenses, including:
 - [Detailed receipts](#)
 - List of attendees
 - Statement of the purpose of the event
- An [expense report](#), a Payment Request or any other document requesting or documenting a payment of expenses described in this Policy must be
 - accompanied by all required supporting documents and
 - submitted within the above mentioned deadlines
 or the payment may be delayed or even denied.

- Where non-compliance or an error is discovered after expenses are paid / reimbursed by the College, the claimant may be required to repay the College any disputed amount.

Financial Control

- Interpretation of the Policy can be obtained before expenses are incurred by contacting Financial Services.
- Approvers are responsible for validating claims and ensuring all reimbursements for expenses adhere to this Policy.
- Financial Services ensures expenses are incurred and reimbursed in accordance with all applicable laws and legislations.
- To ensure compliance with this Policy, periodic internal audits will be conducted and any deviations from the Policy requirements will be reported to the Director of Financial Services.
- These and other expenses are subject to audits from external agencies and auditors.

Disclosure of Expenses

- Expenses incurred by one individual on behalf of another must be identified for disclosure purposes to the individual for which those expenses were incurred.
Expenses are disclosed publicly online in compliance with the Government of Alberta Public Disclosure of Travel and Expenses Policy and the Freedom of Information and Protection of Privacy Act.

PROCEDURE:

External Hosting

The College pays expenses necessarily incurred to:

- Host guests not employed by the College where hospitality is appropriate to facilitate the conduct of College business.
- Maintain contacts within the community by participating in professional and community organizations and committees and by attending functions held by charitable, non-profit and community organizations.

Hospitality expenditures may include food, beverages, social or recreational activities and tokens of appreciation in the form of gifts of a modest value (refer to the section [Gifts and Tokens of Appreciation](#) within this Policy).

While entertaining guests of the College, purchase of alcoholic beverages is limited to a maximum of one drink per person per occurrence. To qualify for reimbursement, original itemized receipts related to the purchase of alcohol must be signed by the respective [senior leader](#).

The frequency and nature of external hosting (including gifts) should be considered where the receipt or provision might be deemed influential in making a business decision.

Working Sessions

Where budgets allow, **non-alcoholic** refreshments, meals or both may be offered to employees who participate in infrequent working sessions that may be in a form of:

- Business meetings occasionally extending over meal hours or beyond normal working hours.
- Department meetings on campus extending over meal hours or beyond normal working hours.
- Retreats or workshops organized for a purpose of engaging employees, Board members and, where necessary, external consultants in addressing business direction and goals, excluding recreational component unless it forms the basis of the affair.

Off campus working sessions are only advisable when campus facilities are not available or not suitable for the occasion and off campus meetings are specific to a goal attainment or agenda accomplishment.

The regular provision of beverages and refreshments (water, coffee, tea) for the everyday use of faculty, staff and students is **not** considered a valid College business expense.

Celebrating department milestones, project completions and achievements is considered a department-specific informal recognition and appropriate costs incurred are considered acceptable College business expenses.

Events such as office holiday socials and celebrations of individual achievements are not considered recognition activities under this Policy. Refer to the *Recognition of Staff Policy* for information related to recognition of individual employees' contributions.

To reflect prudent use of public funds, and taking into account the duration of the meeting, expenses incurred for working sessions are limited to the maximum daily per-person meal rate set out in the Travel and Related Expenses Policy.

Events

College Organized Events

The College pays reasonable expenses related to organization and/or attendance of events endorsed by the President, such as:

- Social functions for the purposes of fundraising or community recognition where it is deemed that the presence of specific College employees and officers is an integral part of conducting the event.
- Receptions on the retirement of an employee and to recognize the attainment of long years of service with the College.
- Receptions to recognize achievements of the College employees and students.

No employee or member of any authorized RDC board can claim an expense for any ticket purchase related to attending a RDC event. Instead, complimentary tickets will be available to those College employees and officers whose presence is deemed an integral part of conducting the event.

Costs related to a purchase of alcohol for the purpose of organizing events are considered valid event expenses where provision of alcohol is warranted as part of that function.

Externally Organized Events

The College may sponsor social functions for the purpose of fundraising, community recognition or business networking. Where it is deemed by the President or the Vice Presidents that the presence of specific members of the College staff serves the Colleges interest, the expense of attending the function is a valid expenditure.

The cost of admission to a fundraising event is an allowable College expense, provided that the:

- Tax receipt is not issued in the individual's name and
- Description on the [expense report](#) includes the external organization's Charities Registration number.

Expenses related to the attendance of these events by a spouse or companion are acceptable college expenses where the attendance is requested by the College and where the presence of the accompanying person enhances the conduct of the function or is warranted by protocol.

Considering RDC's status as a registered charity, employees and officers of the College cannot, in their official capacity and at College's expense, engage in an activity that supports a political party or candidate for public office. This prohibition extends to attendance and all indirect contributions such as the price of admission tickets to sporting, social or other events where part of the proceeds are directed to a political party or candidate.

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 RDC and an external party to the business, or
- A part of protocol, or
- A recognition of a special service to the College, or
- Participation in public functions.

Gifts and tokens of appreciation valued at over \$50 must be approved at a Vice President level.

Department of Human Resources of RDC administers:

- Flowers or donations in lieu of flowers in circumstances such as illness or bereavement (of employees, employees' family members and [college associates](#)) and
- Gifts for long term service when leaving the employ of the College.

All other gifting is regarded as personal in nature and is not considered a valid College business expense.

The College does not pay for or give away gifts of cash, including gift cards and vouchers, unless it is awarded, with strict cash controls:

- By the Strategic Planning and Analysis Department, the Applied Research and Innovation Department, or the Marketing and Communications Department

- for the purposes of marketing, promotion and institutional research, or
- for other related purposes where a gift card or voucher is to an on-campus vendor and the amount does not exceed \$5 per person per occurrence;
- As a prize to a person or a group of people in a random and chance draw and **not** intended as recognition for achievements related to one's field of work/study;
- As a retirement or long term service gift, administered through Human Resources and under the *Recognition of Staff Policy*; or
- When necessitated as the only acceptable means of payment upon preapproval by the Director of Finance

Gifts of tobacco are acceptable where they conform to the culture and tradition of the hosted party.

Gifts of alcohol are limited to RDC alumni wine.

Donations and Sponsorship

At times, the College may donate **funds** or **property** to another charitable organization.

Any funds in excess of \$500 must have preapproval of a Vice President.

Donation of property is conducted in accordance with the Asset Disposal Policy. Receiving charity's registration number must be recorded on all documentation related to the transaction.

Public Expense Disclosure

Data is collected and published online by the Financial Services department according to the predetermined schedule.

OFFICER RESPONSIBLE: Vice President College Services

RECOMMENDING AUTHORITY: Service Council

CONSULTATION FOR REVIEW: Service Council, Deans' Council

POLICY REVIEW DATE: May 2019

EFFECTIVE DATE: May 31, 2016

REVISION HISTORY: November 1, 2010
February 1, 2013
May 31, 2016

RELATED POLICIES:

- [Alcohol at College Events and Facilities](#)
- [Travel and Related Expenses](#)
- [Purchasing](#)

CONNECTION TO BOARD POLICIES:

All RDC policies support relevant Board of Governors policies.

APPENDICES

Appendix A

Eligible Hospitality – Examples

- Receptions to honor visitors, guests or dignitaries
- Receptions for official openings of buildings, art exhibits, theatre performances and sporting events
- Ceremonies such as convocations or public announcements
- Meals while hosting external parties at which the College business is conducted
- Hosting prospective students and parents
- Recruitment of faculty and staff
- College-wide employee recognition events
- Donor cultivation and recognition
- Volunteer recognition events
- Formal public relations events
- Attendance at events organized by another charitable or non-profit organization
- Companions' attendance of events where their presence is requested by the College

Ineligible Hospitality – Examples

- Hosting of any person(s) that is remunerated for the services they provide to the College
- Departmental social functions (seasonal, retirement, departure)
- Celebrations of personal achievements and events in the lives of employees
- Alcoholic beverages served exclusively to the College employees
- Regular provision of beverages and refreshments for the general use of employees
- Expenses in support of a political party or a candidate

Appendix B

Lost Receipt Declaration Form



LOST RECEIPT DECLARATION

The information on this form is personal information and must be protected in compliance with the provisions of FOIPP.

This form is to be used on the rare occasion when an expense (in excess of \$10), reimbursed by or charged to the College and related to the conduct of College business, cannot be supported with the original itemized receipt.

The claimant must certify that the original receipt was lost, misplaced, accidentally destroyed or unavailable and a copy could not be obtained.

The claimant can fill out only one Form per lost receipt. The Form must be signed, approved and submitted with a Travel and Expense Claim or Purchasing Card Statement in replacement of the missing receipt.

This Form is not intended to substitute the regular process for obtaining receipts.

I, _____ do hereby declare that the following receipt has been lost, misplaced, accidentally destroyed or is unobtainable.

VENDOR'S NAME	
DATE OF PURCHASE	AMOUNT OF PURCHASE
Detailed description of goods/services purchased, including any applicable taxes:	

I also declare that I have not and will not use this receipt (if found) to claim reimbursement from any other source, or to support any claim for income tax deductions in the future. I understand that failure to comply with these policies may result in loss of signing authority and purchasing privileges and may result in disciplinary actions up to and including dismissal.

CLAIMANT'S NAME (PLEASE PRINT)	CLAIMANT'S SIGNATURE
DEPARTMENT	DATE

APPROVING AUTHORITY	
NAME (PLEASE PRINT)	SIGNATURE

01/13