



Hospitality (Entertainment) and Working Expense Policy

Category: Financial;

Jurisdiction: Vice President, Administration and Finance; Board Finance & Operations Committee;

Approval Authority: Board of Governors;

Established on: March 31, 2012;

Amendments: None.

1.0 POLICY:

- 1.1 It is recognized that employees may be required to provide hospitality to people who are not employed by Lakehead University. In accordance with Ontario Government's Broader Public Sector (BPS) Expense Directives, it is the policy of the University to reimburse faculty, staff, and other individuals for reasonable hospitality expenses associated with the various operations of the University.
- 1.2 This policy applies to hospitality expenses chargeable to operating budgets, ancillary operations, research, trust funds and any other accounts or projects administered by the University.
- 1.3 It is the responsibility of individuals with budget signing authority to ensure that employees whose expenses are to be charged to one of their accounts are familiar with the University's hospitality policy prior to the expenses occurring.
- 1.4 In addition, the BPS Accountability Act Bill 122 prohibits the inclusion of hospitality, incidental or food expenses for any other employees of Broader Public Sector organizations or in a contract between the University and consultants/contractors.

2.0 DEFINITIONS:

- **2.1 Employees** - All persons including volunteers, agents, appointees, board members, faculty, staff and organizations eligible for reimbursement under this policy.
- **2.2 Broader Public Sector Organizations** - Includes Universities, Colleges, Hospitals, School Boards, and any Ontario government ministries, agencies and public entities covered by the Ontario Public Services Travel, Meal and Hospitality Expenses Directive.
- **2.3 Hospitality** - The provision of food, beverage, accommodation, transportation or other amenities to people who are not engaged in work for the university.
- **2.4 Consultant** - A person or entity that under an agreement, other than an employment agreement, under fee-for-service arrangement, provides expert or strategic advice and related services for consideration and decision-making usually in the form of a report. The following licensed professionals; medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries, does not constitute consulting services.
- **2.5 Contractor/Professional Service** - A person or entity retained under fee-for-service arrangement that is not an employment agreement, to perform specific tasks under a client's direction for a limited period of time.

3.0 CHOICE OF VENUE:

- **3.1** Hospitality should normally be offered only in facilities belonging to the University, unless such facilities are unavailable or it is inappropriate to use them for Hospitality purposes.

4.0 GENERAL:

- **4.1** For purposes of the policy, entertainment refers to activities undertaken for the benefit of the University such as providing food, beverage, accommodation, transportation and other amenities to prospective or visiting academic or administrative staff, visiting researchers (including research administrators) and other individuals or groups visiting the university on business matters.

- 4.2 Only expenses related to University business are covered by this policy (see also article 2.1.4.5 of the Employee Code of Conduct). Generally, there must be a visitor to or guest of the University as the prime justification for the hospitality expense. Lakehead University faculty and staff should justify University representation of greater than three individuals attending business meetings.
- 4.3 The expenditure of university funds for functions for hospitality/entertainment must be kept to a reasonable level, where reasonable is defined as amounts as per Lakehead University's Travel Policy, Schedule A. Reimbursement will be allowed provided the prior approval of the appropriate Vice-President, the Dean and Vice-Provost (Orillia Campus), or the President has been obtained.
- 4.4 Hospitality expenses must relate directly to activities that arise from the performance of duties and responsibilities of the employee incurring the expenditure. Expenses of a personal nature or for a spouse or other individual accompanying the employee will not be reimbursed.
- 4.5 Some examples of the most common *ineligible* expenses are listed below;
 - Expenses for personal entertainment.
 - Beverages (coffee, tea, fruit juices, bottled water, soft drinks) and refreshments for the general use of faculty and staff (this does not include special approved events).
 - Meals or ticket costs to social or private departmental events (seasonal, retirement, departure parties) involving "University only" employees (and/or spouses) where attendance is not a requirement of University business.
 - Departmental/school special events, lunches/dinners for faculty and staff must be kept to a reasonable level, where reasonable is defined as amounts as per Lakehead University's Travel Policy, Schedule A and **all require respective VP or Presidential approval in advance.** (Link to Form)
 - Prior to the purchase of ticket(s) for an external organization fundraising event, approval by the Office of the President or respective Vice-President(s) is required.

5.0 WORKING MEALS

- 5.1 In certain instances a working meal may be the only time that people can assemble for purposes of discussing University business. In order to qualify, a working meal must be called specifically for the purpose of discussing University business. Attendance at such events is to be limited to those who can be expected to contribute to the objective of the meeting. The University will not reimburse a claim for alcohol expenses when a working meeting is held where only Lakehead University faculty and staff are in attendance.

6.0 SERVICE OF ALCOHOL AS HOSPITALITY

- 6.1 Alcoholic beverages are considered acceptable hospitality expenditures generally where there is a visitor to or guest of the University as the prime justification for the hospitality expense. Consumption should be limited to a nominal or moderate amount (faculty and staff are required to exercise sound judgement in this regard). Food should always be served when alcohol is available. Appropriate pre-approvals are required when alcohol will be served (Pre-Approval Request Form [Link](#)).

7.0 SPONSORS OR FUNDING AGENCIES' POLICIES

- 7.1 Where sponsors or funding agencies have their own hospitality expense policies, the policies of these bodies will have precedence providing the University agrees to this arrangement in advance. If sponsors or funding agencies do not have hospitality expense policies or if certain matters are not included in their policies, the Lakehead University Hospitality Expense Policy will prevail.
- 7.2 When contemplating hospitality funded by external agencies, it is important to understand the guidelines that must be followed. A review of the agency policy guide book or terms of contract will usually indicate the guidelines. If it is unclear which procedure should be adhered to, contact the Office of Financial Services for clarification.

8.0 CURRENCY

- 8.1 All Lakehead University employees will be reimbursed in Canadian funds in amounts equivalent to the actual expenses incurred. Expenses must be listed on the Hospitality Expense Statement in the currency that was used for the actual expenditures.
- 8.2 Employees will be reimbursed for Foreign Transactions based on a copy of their credit card statement which includes the expenses; alternatively they may provide a receipt from the Banking Institution where the Foreign Currency was purchased. In the absence of Exchange Rate Documentation, the University will apply the average daily Bank of Canada Exchange Rate which was in effect at the time the expensed was incurred.
- 8.3 University accounts will be charged in equivalent Canadian dollars.

PROCEDURES AND GUIDELINES

- 9.1 UNIVERSITY RELATED RECEPTION AND HOSPITALITY EXPENSES Reception and hospitality expenses must be charged to a University account designated for such expenses. The purpose of the event, including the name of the group, the number of individuals involved, or the names of the guests, must be listed on the Hospitality Expense Statement along with original itemized receipts. Appropriate approvals are required when alcohol will be served and food should always be served when alcohol is available. Please complete the [Hospitality Expense Statement](#) from the Financial Services web site.
- 9.2 SUMMARY: While employees are personally responsible for all charges incurred, the University guarantees prompt reimbursement for all monies owing upon the timely submission of the approved Hospitality Expense Statement. The general procedures for providing hospitality on University business are as follows:
 - a) Obtain appropriate approvals in writing when alcohol will be served.
 - b) Retain appropriate **original itemized receipts** to support expenditures;
 - c) Prepare a hospitality expense statement detailing the purpose of the event listing the attendees, attach appropriate **original itemized receipts**, ensure statement

- is approved by the appropriate signing authority, and forward to Office of Financial Services - Accounts Payable within 10 working days of the event.
- d) The University will not reimburse expenses that are older than 6 months.

Note: Reimbursement of expenses does not itself constitute final approval and all expense statements are subject to audit and subsequent adjustment if necessary.

- 9.3 SIGNING AUTHORITIES
- a) Normally the signing authority is the individual responsible for the budget account to be charged. The individual approving the expense statement is responsible for ensuring that the expenses are for University purposes and comply with this policy. Signing approval limits are the same as those specified in the [Approval Authority Policy](#).
- b) Under no circumstances may an employee authorize his/her own Hospitality expenses.
- c) Expenses for a group can be claimed only by the most senior person present. Expenses cannot be claimed by an individual that are incurred by his/her approver.

10.0 POLICY INTERPRETATION

- 10.1 The Associate Vice-President Financial Services is responsible for clarifying all aspects of this policy as required.
- 10.2 The Vice-President (Administration & Finance) will review this policy within three years to determine whether amendments are necessary.

[Click here for the Request Form for Prior Approval.](#)

As per Lakehead University's Hospitality Expense Policy, all special events to be in any way funded by the University require prior approval from VP or President in advance. Please complete the form with appropriate clarification to support selective, efficient, effective and sustainable spending to benefit the University and/or its students.

Review Period: 3 years;

Date for Next Review: 2021-2022;

Related Policies and Procedures: None;

Policy Superseded by this Policy: None.

The University Secretariat manages the development of policies through an impartial, fair governance process, and in accordance with the Policy Governance Framework. Please contact the University Secretariat for additional information on University policies and procedures and/or if you require this information in another format:

Open: Monday through Friday from 8:30am to 4:30pm;

Location: University Centre, Thunder Bay Campus, Room UC2002;

Phone: 807-346-7929 or Email: univsec@lakeheadu.ca.