EXPENSE POLICY

Policy #: 002

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1.0 PURPOSE

The purpose of this Expense Management Policy is to establish the principles, eligibility requirements, approval authorities and accountability framework governing expenses incurred on behalf of the Bereavement Authority of Ontario (BAO).

The policy is intended to ensure that the BAO's expenses are:

- reasonable, necessary and appropriate;
- incurred for legitimate BAO business purposes;
- consistent with the BAO's mandate and business objectives;
- incurred in a prudent and economical manner;
- properly authorized and supported by appropriate documentation;
- transparent and auditable; and
- managed in accordance with applicable legislation, regulatory requirements and the BAO's governance framework.

The policy is designed to balance appropriate stewardship of public funds with the practical needs of employees, Board members, Committee members, appointees, consultants and others conducting business on behalf of the BAO.

2.0 SCOPE

This policy applies to:

- Directors of the BAO Board;
- the CEO/Registrar;
- employees;
- members of the BAO's committees and sub-committees;
- persons appointed by the BAO;

- consultants, contractors and other service providers where reimbursement of expenses is permitted under their agreement with the BAO; and
- other individuals authorized to incur expenses on behalf of the BAO.

Where a contract, funding agreement or other written arrangement establishes specific expense provisions, those provisions must be consistent with this policy and approved in accordance with the BAO's Delegation of Authority.

This policy applies to expenses incurred using:

- personal funds;
- BAO corporate credit cards;
- BAO purchasing/payment mechanisms;
- approved travel advances; and
- other BAO-approved payment methods.

3.0 POLICY PRINCIPLES

The following principles apply to all expenses incurred on behalf of the BAO.

3.1 Stewardship

The BAO is accountable for the prudent management of funds under its control. Individuals incurring expenses on behalf of the BAO must exercise the same care and judgment that a prudent person would exercise when spending their own funds.

3.2 Business Purpose

Expenses must have a legitimate and demonstrable business purpose that supports the BAO's mandate, operations or strategic objectives.

3.3 Reasonableness

Expenses must be reasonable having regard to the circumstances, location, business purpose and prevailing market conditions.

3.4 Economy

Individuals are expected to obtain value for money and select economical options while taking into account operational requirements, health and safety, accessibility and business effectiveness.

3.5 Accountability

Individuals are personally responsible for ensuring that expenses submitted for reimbursement are accurate, properly supported and comply with this policy.

3.6 Transparency

Expense decisions must be capable of withstanding public, Board, audit and regulatory scrutiny.

3.7 No Personal Benefit

BAO funds must not be used to provide a personal benefit to an employee, Board member, Committee member, contractor or other individual.

3.8 No Self-Approval

No individual may approve their own expense claim, regardless of the method of payment.

4.0 ROLES AND RESPONSIBILITIES

4.1 Board of Directors

The Board is responsible for approving this policy and exercising oversight over the BAO's financial stewardship.

The Board Chair or designated Board authority is responsible for approvals assigned to the Board Chair under the BAO's Delegation of Authority.

4.2 CEO/Registrar

The CEO/Registrar is responsible for:

- ensuring compliance with this policy;
- approving expenses within their delegated authority;
- ensuring appropriate controls are maintained; and
- approving expenses requiring CEO/Registrar authorization.

The CEO/Registrar may delegate approval authority in accordance with the BAO's approved Delegation of Authority.

4.3 Chief Financial Officer

The CFO is responsible for:

- administering this policy;
- establishing administrative procedures and expense claim requirements;
- monitoring compliance;
- maintaining applicable expense rates and limits;
- providing guidance to employees and approvers;

- reviewing exceptions and unusual expense matters;
- reporting material compliance issues to the CEO/Registrar and, where appropriate, the Audit, Risk and Finance Committee; and
- recommending amendments to this policy.

4.4 Approvers

Approvers are responsible for ensuring that:

- the expense is for a legitimate BAO business purpose;
- the expense is reasonable and appropriate;
- the required supporting documentation has been provided;
- the expense has not already been claimed;
- the claimant has not approved their own expense;
- the expense is within the applicable approval authority; and
- any exception is appropriately documented and justified.

Approval confirms that the approver has reviewed the expense and considers it appropriate for reimbursement; it does not transfer responsibility from the claimant for the accuracy of the claim.

4.5 Employees, Board Members and Other Claimants

Claimants are responsible for:

- obtaining required approval before incurring an expense;
- selecting economical and reasonable options;
- ensuring expenses are incurred only for legitimate BAO business;
- retaining appropriate supporting documentation;
- submitting complete and accurate claims within the required timeframe; and
- promptly reimbursing the BAO for any overpayment or ineligible expense.

5.0 PRIOR APPROVAL

Prior written approval is required where specified by this policy, the applicable Delegation of Authority or the related administrative procedures.

Prior approval should be obtained before:

- undertaking business travel;
- incurring hospitality expenses;
- incurring expenses outside established limits;
- using a travel advance;

- incurring unusual or exceptional expenses; and
- undertaking any expense requiring approval from a higher authority.

Where prior approval was not reasonably possible, the claimant must provide a written explanation and obtain retrospective approval from the appropriate authority.

Retrospective approval should be exceptional and must not be used to circumvent established approval requirements.

6.0 ELIGIBLE EXPENSES

The BAO will reimburse reasonable and necessary expenses incurred for legitimate BAO business purposes, including, where applicable:

- business travel;
- accommodation;
- meals;
- transportation;
- mileage;
- parking and tolls;
- conference and registration fees;
- business-related professional development;
- approved professional memberships;
- business hospitality;
- business-related communications;
- approved business supplies and materials; and
- other expenses approved in accordance with the BAO's Delegation of Authority.

Eligibility does not, by itself, constitute approval. All expenses remain subject to the applicable approval, documentation and budgetary requirements.

7.0 TRAVEL

7.1 General

Travel should only be undertaken where it is necessary or provides a reasonable business benefit.

Before approving travel, alternatives such as telephone, video conferencing or web conferencing should be considered.

Travel should be planned and booked as economically as reasonably possible.

7.2 Air and Rail Travel

Economy-class air and rail travel will generally be reimbursed.

Upgrades may be approved where there is a legitimate business, health, accessibility or operational reason and the cost is considered reasonable by the approving authority.

Business-class travel requires prior approval from the authority specified in the Delegation of Authority.

7.3 Ground Transportation

Reasonable business-related costs for:

- taxis;
- public transportation;
- rideshare services;
- airport or train transportation;
- parking;
- toll roads;
- bridges; and
- ferries

may be reimbursed.

The most economical practical option should normally be selected.

7.4 Private Vehicle

Where an employee or other authorized individual uses a privately owned vehicle for BAO business, reimbursement will be based on the BAO's approved kilometre rate.

The BAO's kilometre rate will be maintained administratively and may be updated periodically to reflect the applicable reasonable CRA automobile allowance rate.

The rate is intended to compensate for the business use of the vehicle and is inclusive of normal vehicle operating costs.

The BAO will not reimburse:

- normal commuting between an individual's home and regular workplace;
- traffic, parking or other fines;
- personal vehicle insurance; or
- vehicle repair costs.

Individuals using personal vehicles for BAO business are responsible for maintaining appropriate insurance coverage, including business-use coverage where required.

7.5 Rental Vehicles

Rental vehicles must be selected based on the most economical vehicle reasonably suited to the business requirement, number of passengers and applicable health, safety or operational considerations.

Reasonable rental insurance costs required for BAO business may be reimbursed.

8.0 ACCOMMODATION

The BAO will reimburse reasonable accommodation costs for authorized business travel.

Standard single accommodation in an economy or business-class hotel should normally be used.

Where practical, preferred or corporate hotel rates should be utilized.

Additional accommodation costs resulting from personal preferences or upgrades are the responsibility of the claimant unless specifically approved.

The following are generally not reimbursable:

- mini-bar purchases;
- movies or entertainment;
- spa or recreational services;
- personal laundry except where appropriate for extended business travel;
- personal telephone calls; and
- other personal expenses.

Reasonable business-related internet charges may be reimbursed where not included in the accommodation rate.

9.0 MEALS

Reasonable business-related meal expenses may be reimbursed when:

- travelling on authorized BAO business;
- attending an approved business meeting or event; or
- otherwise incurred in accordance with this policy.

The BAO's approved meal rates will be maintained in the **Expense Rates and Allowances Schedule**.

Unless otherwise approved, meal limits are inclusive of taxes and reasonable gratuities.

For overnight travel, meal claims should generally remain within the approved aggregate daily limit.

Individuals should not claim a meal where the cost of the meal has already been provided as part of a conference, event or other business function.

10.0 HOSPITALITY AND BUSINESS MEALS

Hospitality and business meals must have a legitimate BAO business purpose and should be appropriate to the circumstances.

The expense claim must identify:

- the business purpose;
- date and location;
- names and affiliations of attendees, where appropriate;
- the nature of the business discussed; and
- the total cost.

Hospitality involving alcohol requires prior written approval from the Board Chair.

Alcohol will not be reimbursed as an individual expense and must not be charged to a BAO corporate credit card except where specifically authorized as part of an approved hospitality event.

Hospitality expenses must not be excessive or primarily social or personal in nature.

11.0 PROFESSIONAL DEVELOPMENT, CONFERENCES AND MEMBERSHIPS

Reasonable costs for conferences, courses, seminars, training and professional memberships may be reimbursed where they:

- support the individual's responsibilities;
- provide a demonstrable benefit to the BAO;
- have been appropriately authorized; and
- are within the approved budget or otherwise properly approved.

Where applicable, professional development expenses should be addressed through the BAO's learning and development processes.

12.0 CORPORATE CREDIT CARDS

Corporate credit cards are provided only to senior management and for authorized BAO business purposes only.

Cardholders must:

- protect the card and associated information;
- use the card only for authorized business expenses;
- obtain and retain itemized receipts;
- submit expense documentation within the required timeframe;
- reconcile transactions promptly; and
- immediately report lost, stolen or compromised cards.

Corporate credit cards must **not** be used for:

- personal purchases;
- cash advances unless specifically authorized;
- alcohol except where expressly permitted under an approved hospitality event;
- fines or penalties; or
- expenses prohibited under this policy.

Personal use of a corporate credit card may result in immediate reimbursement requirements and may constitute a policy violation.

13.0 CASH ADVANCES

Cash advances may be provided only where there is a legitimate business need (mainly for Compliance Staff working in the field) and prior approval has been obtained.

Advances must be reconciled promptly following completion of the business activity.

Any unused balance must be returned to the BAO.

Outstanding advances may be recovered from amounts otherwise payable to the claimant, subject to applicable law and the BAO procedures.

14.0 EXPENSE CLAIMS AND DOCUMENTATION

All claims must be submitted using the BAO's approved expense reporting process.

Claims must include:

- date of expense;
- nature and description of expense;
- business purpose;
- amount;
- appropriate cost centre/account coding;
- applicable tax information;
- itemized receipts; and
- evidence of required approval.

Credit card slips alone are not considered sufficient supporting documentation where an itemized receipt is reasonably available.

Electronic receipts and electronic approvals are acceptable where they provide sufficient evidence to support the transaction.

Where an itemized receipt is unavailable, the claimant must provide a written explanation and such other evidence as Finance may require.

Finance may reject claims that are incomplete, unsupported, late or inconsistent with this policy.

15.0 TIME LIMIT FOR SUBMISSION

Expense claims must be submitted **monthly** but if there are challenges, should be submitted no longer than **60 days of the end of the month in which the expense was incurred**.

Claims submitted after this deadline may be denied unless the claimant provides a satisfactory explanation and the appropriate approving authority authorizes an exception.

16.0 NON-ELIGIBLE EXPENSES

The BAO will not reimburse expenses that are personal, unreasonable, excessive, inadequately supported or unrelated to BAO business.

Non-eligible expenses include, but are not limited to:

- personal items;
- personal entertainment;
- personal care expenses;
- recreational expenses;
- mini-bar and in-room entertainment;
- traffic, parking or other violations;
- towing costs resulting from personal circumstances;
- normal commuting expenses;
- personal vehicle insurance;
- expenses incurred for family members, friends or other personal guests;
- alcohol, except as expressly permitted for an approved hospitality event;
- expenses arising from personal preferences or upgrades;
- expenses that duplicate another reimbursement;
- expenses prohibited by law or BAO policy; and
- expenses not connected with conducting BAO business.

17.0 APPROVAL AUTHORITY

Expenses must be approved in accordance with the BAO's current **Delegation of Authority Matrix**.

The claimant must not approve their own expense.

Where an expense relates to the CEO/Registrar, the applicable approval authority specified in the Delegation of Authority must be followed.

Where an expense relates to a Board member or Committee member, the applicable Board or Committee approval requirements must be followed.

The Delegation of Authority Matrix takes precedence over any conflicting administrative practice.

18.0 TRAVEL APPROVAL

Travel approval requirements will be established through the BAO's Delegation of Authority and applicable travel procedures.

As a minimum:

Traveller	Ontario	Canada / United States	Outside Canada / United States
Board Chair	As per Delegation of Authority	As per Delegation of Authority	As per Delegation of Authority
Board Member	Board Chair	Board Chair	Board Chair
Committee Member	CEO/Registrar	CEO/Registrar	Board Chair
CEO/Registrar	Board Chair	Board Chair	Board Chair
BAO Staff	CEO/Registrar	CEO/Registrar	Board Chair

19.0 EXCEPTIONS

Approvers may approve an exception to an established expense rate or limit where:

- the expense is reasonable and necessary;
- the expense is consistent with the principles of this policy;
- the additional cost is justified by the circumstances; and
- the rationale is documented.

Exceptions must not be used to circumvent approval requirements.

Material, unusual or recurring exceptions should be referred to the CFO for review.

20.0 OVERPAYMENTS AND AMOUNTS OWING TO THE BAO

Any amount paid to a claimant in error or subsequently determined to be ineligible constitutes a debt owing to the BAO.

The claimant must reimburse the BAO promptly.

The BAO may recover amounts owing through an appropriate payroll or other recovery mechanism, subject to applicable law and established procedures.

21.0 FRAUD, MISREPRESENTATION AND NON-COMPLIANCE

Knowingly submitting a false, misleading, duplicate or personal expense as a BAO business expense is prohibited.

Examples include:

- submitting altered or fraudulent receipts;
- claiming an expense that was not incurred;
- claiming the same expense more than once;
- misrepresenting the business purpose;
- knowingly exceeding an approved limit without authorization; or
- using BAO funds for personal purposes.

Suspected fraud or material misuse of BAO funds must be reported promptly to the CFO, CEO/Registrar or other appropriate authority in accordance with the BAO's applicable policies.

Non-compliance may result in:

- denial of reimbursement;
- repayment;
- withdrawal of corporate credit card privileges;
- additional management review; and/or
- disciplinary or other appropriate action, up to and including termination of employment.

22.0 TAXES

Claimants must not claim tax amounts that are not supported by appropriate documentation such as a documented HST Registration number on the receipt or invoice.

Finance is responsible for determining the appropriate accounting and tax treatment of expenses.

23.0 RECORD RETENTION

Expense claims, receipts, approvals and supporting documentation must be retained in accordance with the BAO's records retention requirements and applicable legislation.

Electronic records are acceptable where they provide an appropriate and reliable audit trail.

24.0 MONITORING AND COMPLIANCE

Finance will periodically review expense claims to assess compliance with this policy and identify:

- unusual transactions;
- recurring exceptions;
- unsupported expenses;
- late submissions;
- inappropriate use of corporate cards;
- duplicate claims; and
- opportunities to strengthen controls or improve processes.

Material compliance concerns may be reported to the CEO/Registrar and, where appropriate, the Audit, Risk and Finance Committee.

The CFO may establish administrative procedures, controls and reporting requirements necessary to implement this policy.

25.0 POLICY REVIEW

This policy will be reviewed at least every three years, or earlier where there are significant changes to:

- legislation or regulatory requirements;
- the BAO's governance framework;
- financial systems or processes;
- organizational structure;
- CRA rates or tax requirements; or
- identified financial control risks.

Amendments requiring Board approval will be submitted through the appropriate governance process.

APPENDIX A

EXPENSE RATES AND ALLOWANCES

The following rates are maintained administratively by Finance and may be updated periodically without requiring amendment to the main policy, provided the changes remain consistent with the policy and Delegation of Authority.

Meals

Expense	Maximum
Breakfast	$15
Lunch	$20
Dinner	$40
Aggregate daily maximum	$75

Rates include applicable taxes and reasonable gratuities.

Mileage

Private vehicle mileage will be reimbursed at the BAO's approved rate, which will be maintained with reference to the applicable CRA reasonable per-kilometre allowance.

Finance will communicate the current rate to staff and maintain it within the BAO's expense procedures.

APPENDIX B

MINIMUM EXPENSE CLAIM DOCUMENTATION

Every expense claim should include:

1. Date of transaction
2. Vendor
3. Amount
4. Applicable taxes
5. Business purpose
6. Attendees, where applicable
7. Location, where applicable
8. Itemized receipt
9. Cost centre/account
10. Required approval

Where documentation is unavailable, a written explanation must be provided.

APPENDIX C

EXPENSE DECISION TEST

Before incurring or approving an expense, individuals should ask:

1. Is it necessary?
Is the expense necessary to conduct BAO business?

2. Is it reasonable?
Would a reasonable person consider the amount appropriate?

3. Is it economical?
Has a reasonable effort been made to obtain value for money?

4. Is it authorized?
Has the appropriate approval been obtained?

5. Is it documented?
Can the expense be supported by appropriate documentation?

6. Is it transparent?
Would I be comfortable explaining this expense to the Board, an auditor, a regulator or the public?

If the answer to any of these questions is “no”, the expense should not be incurred without further clarification or approval.