



Housing Services Corporation

POLICY MANUAL

SUBJECT:

Board Expense Policy

NUMBER:

007

DATE OF LAST ANNUAL REVIEW:

March 27, 2020

AUTHORITY:

Board of Directors

1. Introduction

Under the Housing Services Act (the “Act”), the Board of Directors is required to establish a policy for the reimbursement of reasonable expenses incurred by a director in the course of performing his or her duties and that the Corporation shall follow this policy when reimbursing a director for expenses.

Under the regulations of the Act, it is noted that the Board Expense Policy must address the following:

- What expenses may be reimbursed
- The extent to which expenses may be reimbursed
- What is required to substantiate expense claims
- What approvals are necessary for reimbursement of expenses

The purpose of this Policy is to set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices. This Policy also ensures that all such transactions are being appropriately approved, transparent, and align with the Province of Ontario Management Board of Cabinet “Travel, Meal and Hospitality Expenses Directive” (Directive) which are the best practices for classified agencies and prescribed organizations.

In the event of a conflict or inconsistency between policies, the guideline that contains the more stringent requirement shall prevail.

It should be noted that Remuneration is separated, both in the Act and in practice, from Board Expenses. The companion Policy to this one--the Board Remuneration Policy--is Policy #006.



2. **Principles**

To ensure that:

- expenses are paid in a way that is consistent with the Directive and best governance practices;
- all reasonable expense incurred by the Board member as a result of a business or Board-related function be paid;
- only expenses which are reasonable, accountable and incurred on authorized business are paid;
- the Policy is clear, consistent and equally applied to all Board members; the application of the Policy is fair and transparent and publicly defensible;
- this policy must be a matter of public record.

For expense matters not covered in this policy, reference shall be made to the Directive for guidance and direction.

3. **Travel Expenses**

Travel expenses incurred while traveling on HSC business, whether locally or out-of-town, may be reimbursed. It should be noted that, when making rail or air reservations, or other travel decisions, it is expected that the Board of Directors will choose the most reasonable and economical rate.

4. **Airplane**

Air travel is permitted if it is the most practical and economical way to travel.

Economy class is the standard option for ticket purchase. Travel in business class must have prior approval by the CEO, in limited circumstances such as:

- On international flights; and
- On flights within Canada and the USA if related to the provision of reasonable accommodation (e.g., health reasons).

5. **Train**

Travel by train is permitted when it is the most practical and economical way to travel.



A coach class economy fair is the standard. Travel in business class must have prior approval by the in limited circumstances such as:

- The need to work with a team;
- Choosing a travel time that allows you to reduce expenditures on meals or accommodation;
- Accommodation requirements; and
- Health and safety considerations.

6. **Vehicle**

When road transportation is the most practical, economical way to travel, it is preferred that Board members choose the most economical of rental vehicle or use of personal vehicle.

When renting a vehicle, the most economical vehicle based on the driving conditions should be selected. Luxury and sports vehicles are prohibited. To avoid higher gasoline charges, refuel your rental car before returning it.

If using a personal vehicle, the Corporation will reimburse based on the kilometers accumulated from January 1 of each year (calendar year) and using the following rates:

| Total kilometers driven Per fiscal year | Southern Ontario (\$ per km) | Northern Ontario (\$ per km) |
|--|---|---|
| 0-4000 km | 0.40 | 0.41 |
| 4001-10,700 km | 0.35 | 0.36 |
| 10,701-24,000 km | 0.29 | 0.30 |
| More than 24,000 km | 0.24 | 0.25 |

Parking

Reimbursement is provided for necessary and reasonable expenditures on parking. Valet parking is not a reasonable expenditure. There is no reimbursement for traffic or parking violations.



7. **Accommodation**

Hotel accommodation for participants traveling to Board meetings from outside of the Greater Toronto Area may be reimbursed for accommodation. Board members may choose their own hotel accommodation. Accommodation reimbursement rates are capped at HSC’s corporate rate at its designated hotel, which will be set and communicated annually. Any hotel charge in excess of HSC’s corporate rate per night is the responsibility of the individual. Approval of any accommodation requests which are related to sector events, or which fall within the Greater Toronto Area commute, are at the discretion of the CEO.

Accommodation receipts must be included in the expense claim in order to be reimbursed.

8. **Business Meals**

Reasonable and appropriate meal expenses incurred whilst traveling may be reimbursed at the established meal reimbursement rates, regardless of the actual meal costs. This is a meal allowance. These rates include taxes and gratuities. Receipts are not required to be submitted with meal claims or retained.

| Meal Type | Meal Reimbursement Rate |
|------------------|--------------------------------|
| Breakfast | \$10.00 |
| Lunch | \$12.50 |
| Dinner | \$22.50 |

Meals must be purchased in order to be able to submit a claim for reimbursement.

Alcohol cannot be claimed and will not be reimbursed as part of travel or meal expenses. There are no exceptions to this rule.

9. **International Travel**

In some cases, the requirement to travel internationally may be considered integral to business. Written approval by the CEO and Board Chair is required prior to any arrangements being made for international travel.

Requests for international travel must include:



- Written rationale demonstrating critical value to the Corporation of travel and details how the travel will produce benefit to the Corporation.
- Documentation showing detailed itemization of anticipated expenses (note that the most economical and practical method of travel must be used).

A prior assessment of physical and cyber security is required for all travel outside Canada. The assessment provides recommendations on safeguards against cyber and physical security threats for individuals travelling internationally.

The Treasury Board of Canada Travel Directive shall be used for reimbursement rates for meal expenses outside of Canada and the United States.

10. **Request for Reimbursement and Claim Procedure**

In order to provide timely financial information to departments, all claims must be submitted within 30 days of completing the travel or incurring the business expense.

Board members must submit their expense claims through the online expense system. All expenses must be adequately described: i.e., point of origin and destination, mode of travel, purpose of the trip and/or nature of expense etc. All expenses must include itemized receipts, except for meal expenses where meal allowances are used. Credit card receipts are not sufficient.

The rate of exchange used to convert to Canadian currency will be the rate calculated by the online expense system, supported by an exchange slip provided by the bank, an exchange bureau at the time the currency was bought by the claimant, or at the rate shown on the credit card statement (if purchased on a charge card).

11. **Approvals**

- Expense Claims will be reviewed by staff to ensure compliance with Policies.
- All Board member expense claims must be approved by the CEO.
- All Chair expenses will be approved by the Treasurer
- CEO expenses related to Board activities must be approved by the Board Chair.

12. **Reporting**

- The Corporation must report annually on the amount paid to a director or



- officer during the past fiscal year as reimbursement for expenses.
- This accounting of amounts paid as reimbursement of expenses to a director or officer must be included in the Annual Report as defined in regulations to the *Housing Services Act*, and reported to the Minister, Board members and the public.
 - In addition, a copy of this Policy must be provided to the Minister, Board members and the public.
 - The Corporation elects to report publicly a summary of Remuneration, Expenses and other payments made to each Board member and Officer on a quarterly basis.

13. **Application of Policy**

This policy applies equally to HSC and to all of its wholly owned or controlled subsidiaries.