

# Corporate Expenses Policy



Policy Title:	<b>Corporate Expenses Policy</b>
Policy Owner:	Chief Finance & Risk Officer
Policy Administrator:	Vice President Finance & Controller
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## 1. PURPOSE

- 1.1. This Policy provides a framework of accountability and rules to guide the effective oversight of AFSC resources in the reimbursement and payment of travel, meal, hospitality, and other expenses and allowances in compliance with the Government of Alberta's Public Disclosure of Travel and Expense Policy requirements.
- 1.2. This Policy is intended to ensure fair and reasonable practices, and to ensure that individuals are properly reimbursed for expenses incurred on AFSC Business.
- 1.3. The principles of this Policy include:
  - a) Taxpayer dollars are to be used prudently and responsibly with a focus on accountability and transparency;
  - b) Expenses for travel, meals and hospitality support AFSC's business objectives;
  - c) Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health, safety and security;
  - d) Only legitimate authorized expenses incurred during the course of AFSC's business are reimbursed;
  - e) Prior approval to incur expenses is obtained where appropriate;
  - f) Claims should be able to withstand both internal and external analysis and review, properly explained and documented, reasonable, and, appropriate;

- g) Delegation of Expenditure Officer authority must follow AFSC's Finance Authorities Document.

## 2. APPLICATION AND SCOPE

- 2.1. This Policy applies to all expenses requested to be reimbursed and allowances claimed in relation to AFSC Business, by or on behalf of:
  - a) all AFSC Employees, which includes permanent, term, contract, casual and internships; and,
  - b) the AFSC Board of Directors.
- 2.2. This Policy applies regardless of how an expense has been paid for or is being reimbursed (e.g., AFSC procurement card, credit card billed directly to the AFSC, expense claim, vendor invoices, etc.).

## 3. DEFINITIONS

- 3.1. **AFSC Business** means activities intended to promote and achieve the goals and objectives of AFSC including education related travel expenses.
- 3.2. **Approver** means, with respect to a Claimant, an individual with the authority to approve reimbursements or allowances under this Policy consistent with the AFSC Finance Authorities Document.
- 3.3. **Attributable Expense** means expenses incurred by one individual on behalf of another, must be attributable for disclosure purposes to the individuals for which those expenses were incurred.
- 3.4. **Claimant** means any individual described in Section 2.1., who seeks reimbursement of an expense or payment of an allowance under this Policy.
- 3.5. **Corporate Events** means activities or events that are planned in the course of conducting AFSC Business, excluding at a commercial eating establishment(s). Not including commercial eating establishments, a Corporate Event may occur in a facility external to AFSC when larger capacities need to be accommodated or where alternate facilities are more practical given the nature of the event.
- 3.6. **Designated Branch Office** means a branch office including Lacombe Central Office where the Employee role is required to operate if they have not entered into a Work Away Agreement, all AFSC Employees will have an assigned Designated Branch Office regardless of whether they have a Work Away Agreement and regardless of their preferred work location.
- 3.7. **Executive Leadership Team** and **ELT** means the team of executive leaders including the Chief Executive Officer, the Chief Client Officer, the Chief Finance & Risk Officer, the Chief People Officer, the Chief Information Officer, and the Chief Strategy & Innovation Officer.
- 3.8. **Hospitality Expenses** means any expenses incurred in respect of hospitality provided to guests of AFSC or individuals otherwise not engaged in work for AFSC as a matter of courtesy or to facilitate AFSC Business.
- 3.9. **Preferred Branch Office** means the location relative to a Work Away Agreement, where AFSC would make every reasonable effort to situate the team member in the event a work away agreement was revoked for any reason. This location will generally be the closest available AFSC

branch location to the residence address the team member has stipulated in their Work Away Agreement.

- 3.10. **Working Sessions Expenses** means any event where a Claimant incurs a non-travel meal expense at a commercial eating establishment while in the course of conducting AFSC Business.

#### 4. GENERAL EXPENSE REQUIREMENTS AND AUTHORITIES

- 4.1. No expense may be reimbursed, or allowance paid except under this Policy.
- 4.2. An Approver may not approve an expense related to themselves or any expense incurred by another Claimant on their behalf.
- 4.3. Expense claims must be submitted within thirty (30) days from the date of incurring the expense. Any claim that has not been approved within thirty (30) days must be approved by an Approver with higher authority than the Cost Center Manager.
- a) In the event an expense claim cannot be put forth in the 30-day-time period due to no fault of the Claimant, for example, training expenses incurred that cannot be claimed until completion. The Claimant may provide the rationale to the Cost Centre Manager who may approve the claim without proceeding to the higher authority.
- 4.4. A Claimant shall not claim, and an Approver shall not approve reimbursement of alcohol as part of a travel or meal expense.
- 4.5. A Claimant shall not claim reimbursement and also claim an allowance for the same expense or the same portion of an expense. In the event such an action were to occur, the Approver is to deny such a claim.
- 4.6. AFSC is required to maintain employee-related expense records as per the [GOA's Accounts Payable Retention Schedule](#).

#### 5. APPROVAL OF REIMBURSEMENTS AND ALLOWANCES

- 5.1. Subject to the other requirements set out in this Policy, Approvers shall approve the reimbursement of expenses and payment of allowances incurred in relation to AFSC Business.
- 5.2. The following individuals may approve reimbursements or allowances as follows:
- a) managers/supervisors or their designates for employees under their administration;
- b) the AFSC Board Chair or designate must approve all expenses of the CEO and all other Board Members; and,
- c) the CEO must approve all expenses of the other ELT members of AFSC.
- 5.3. Approvers and Claimants are accountable for their decisions, which must be:
- a) Subject to good judgment and informed knowledge of the situation;
- b) Exercised in appropriate circumstances; and,
- c) Compliant with the principles and requirements set out in this Policy.

- 5.4. AFSC needs to report expenses attributed to certain AFSC employees, Board of Directors and others within the Government of Alberta as opposed to expenses incurred by individuals. To facilitate reporting, employees are advised to pay for their own individual expenses and not on behalf of others. If a Claimant had to pay expenses attributable to others due to exceptional circumstances, the Claimant must indicate on the receipts the names as well as the amount attributable to the persons on whose behalf the expense was incurred.
- 5.5. Expense claims without the required details are likely to be delayed or rejected.
- 5.6. Claimant and Approver are primarily responsible and accountable for legitimacy, reasonability, and accuracy of expense claims. Expense claims with supporting documents must be uploaded into the expense claim system for review. These supporting documents may include:
- a) Original Receipts;
  - b) No Receipt Notes (e.g. attestation for lost receipt);
  - c) No Car Notes
  - d) Training Request Forms;
  - e) Out of Province / Out of Country Approval Forms; and,
  - f) Itineraries / Agendas.
- 5.7. When a Claimant receives a discount, credit or bonus for travel that reduces the original travel cost at the time the expense is incurred, the Claimant may only claim reimbursement of the net expense.
- 5.8. When a Claimant is charged GST on a reimbursable expense under this Policy, the Claimant shall be reimbursed either the total amount shown on the receipt, including the GST, or the maximum reimbursable amount, whichever is less. GST and other taxes cannot be claimed on allowances.
- 5.9. If a Claimant is reimbursed by AFSC for an expense where that Claimant received either a credit or refund, the Claimant must repay to AFSC the credit or refund amount.
- 5.10. The Finance Department may conduct post-payment verification of claims on a selective basis to monitor compliance and consistency with the Policy. Additionally, Internal and/or External Auditors may verify claims. Any claim not in compliance with the Policy will be further investigated. As a result of investigation / audit, an employee found not in compliance with the Policy will be required to repay the amount to which the employee is not entitled under this Policy if the discrepancy is as a result of genuine error.
- 5.11. Gross negligence, disregarding of the Policy, alleged fraud and misrepresentation will be viewed seriously and appropriate disciplinary action up to and including termination will be taken against the Claimant and or the Expenditure Officer/ Approver.



#### **Attributable Expense Example:**

A group of employees from the same business unit are at a business lunch. The Manager of the department pays the bill for the table on the corporate card. When the expense claim is entered into the system, the cost would need to be appropriately attributed to each member. This can be done simply by evenly dividing the total across all members who participated; or can be detailed for the exact expense incurred by each member.

## 6. REIMBURSEMENT OF TRAVEL EXPENSES AND ALLOWANCES

### Claimable Expenses with a Receipt

- 6.1. Subject to any requirements set out in sections 6 (Reimbursement of Travel Expenses and Allowances), section 8 (Expenses and Allowances While Travelling on AFSC Business), and section 13 (Gratuity), a Claimant may claim reimbursement of the following expenses incurred by travelling on AFSC Business, attending a government sponsored seminar, pre-retirement seminar or interview selection panel:
- a) Airfare;
  - b) Automobile rental;
  - c) Rail fare;
  - d) Fees for baggage when appropriate and necessary;
  - e) Charges for electronic communication related to AFSC Business;
  - f) Charges for business related phone calls;
  - g) Inter-municipal bus fares, including airport bus;
  - h) Internet connectivity in hotels, airplanes or other public places;
  - i) Travel immunizations; and,
  - j) When travelling outside of Canada, a Claimant may be reimbursed for the expense of procuring a business visa or passport, and related expenses, where required and where the Claimant does not hold one.

### Claimable Expenses without a Receipt

- 6.2. A Claimant may claim without a receipt or a written statement (attestation) following expenses incurred by travelling on AFSC Business to the maximum amount set out in Appendix "A."
- 6.3. A Claimant may submit a written statement (attestation) in place of a lost receipt if they are able to reasonably demonstrate they incurred the expense e.g. Credit Card statement. Refer to section 5.6 b.

## 7. OVERSIGHT OF THE AFSC BOARD OF DIRECTORS AND ELT EXPENSES

- 7.1. The AFSC Board of Directors and Executive Leadership Team shall ensure that reports of expense claims and credit card expenses are reported to the AFSC Board of Directors in the form and at the frequency determined by the AFSC Board of Directors.



### Lost Receipt Example:

An employee incurred an expense for accommodation that exceeded the allowance without receipt rate. Subsequently, they misplaced the receipt. They were able to take a screen shot from their credit card charges which reasonably demonstrated the charge was for the purported accommodation along with the date of the charge. The employee submitted this screen shot and justification to the "no receipt notes" section on the expense claim.

The approver must ensure there is reasonable information as per this policy to justify the expense otherwise it will be denied.

## **8. EXPENSES AND ALLOWANCES WHILE TRAVELLING ON AFSC BUSINESS**

### **Travel by Air**

- 8.1. Economy class is the booking class for all domestic flights unless there is a lesser rate available for another class.
- 8.2. Business class may be booked for domestic or international flights of more than four (4) hours actual airtime.
- 8.3. Security concerns and or medical conditions may also warrant business class travel. If a medical condition necessitates upgraded travel, a physician's order must be obtained prior to booking.
- 8.4. Personal upgrades can be used to upgrade to business class, or the individual may opt to pay personally for the price differential from coach class.
- 8.5. Any individual identified under section 2.1, may add, and pay for a personal leg to a business itinerary, while clearly distinguishing between business and personal expenses. If a combined business/personal itinerary is equal to or less than the cost of a business only return airfare, there is no personal cost to the individual.

### **Travel by Automobile and Personal Vehicle Usage**

- 8.6. Employees are expected to use AFSC owned vehicles for business travel in locations where these vehicles have been provided. For details about use of AFSC Vehicles refer to the Company Vehicle Use Policy.
- 8.7. Employees are authorized to use a personal vehicle to conduct AFSC Business or attend training sessions/courses directed by AFSC. However, it is expected that where possible employees will use company vehicles for travel.

### **Personal Vehicle Allowances**

- 8.8. An adverse driving condition allowance for each day a personal vehicle is used on AFSC Business may be claimed when travel of ten (10) kilometres or more is on unpaved roads or travel is over terrain without roads at the rate set out in Appendix "A".
- 8.9. An employee required to use a personal motor vehicle on AFSC Business as part of their regular weekly job duties (i.e., mail, banking) may claim a car allowance. This allowance may be claimed in lieu of reimbursement on a per kilometre rate. However, if an employee travels ten (10) or more kilometres in a day for city or town travel, they may claim the published kilometre rate instead of the prescribed daily allowance. This allowance is not applicable to employees who are already on travel status at the location.

### **Use of a Personal Truck or Other Vehicle**

- 8.10. Where an employee is required to use a truck, four-wheeled all-terrain vehicle ("ATV") or snowmobile, such use is warranted by reason of rough terrain conditions or hauling of heavy equipment and use of an automobile is not possible or reasonable, employees will be compensated at the rates set out in Appendix "A."

- 8.11. No additional compensation will be made by AFSC for insurance and collision damage for use of ATV's and or snowmobiles.

### **Vehicle Mileage Rate**

- 8.12. Employees shall calculate and charge kilometres traveled, as per Appendix "A", from either their Designated Branch Office, their Preferred Branch Office, or their Approved Alternate Location (according to approved Work Away Agreements), whichever location is the lesser distance.
- 8.13. Waged Adjustors, using their personal vehicle, shall calculate and charge for the kilometres travelled from their home location to their work area.

### **Additional Mileage Rate**

- 8.14. To compensate for the cost of fuel while a vehicle is on idle during cold weather conditions, only Adjustors may claim an additional rate as per Appendix "A" for use of their personal vehicles (except ATV and snowmobiles) during the period of November 1 up to and including February 28/29.

### **Business Insurance**

- 8.15. If an insurance company or agent requires the employee's personal vehicle to be insured for use when travelling on AFSC Business, an employee may claim the business insurance premium to a maximum as set out in Schedule "A," pro-rated if the insurance is for less than a year.
- 8.16. In the case of full-time salaried employees the amount may be paid in one lump sum based on receipt.
- 8.17. For wage employees and Adjustors, an allowance as set out in Appendix "A" on a per year basis. The onus is on the employees to check with their insurance company or agent to determine whether business insurance is required based on business use of their personal vehicle.

### **Collision and Glass Damage**

- 8.18. An employee who incurs out-of-pocket expenses as a result of an accident while driving a personal vehicle on AFSC Business and for which the employee is not at fault, and there is no third party from whom the cost can be recovered, will be entitled to receive reimbursement for actual expenses incurred in repair to or replacement of:
- a) damage to the vehicle caused by collision with another vehicle or an animal to a maximum amount as set out in Appendix "A";



### **Mileage Claim Examples:**

- 1) If an employee is working from an approved alternate location in Edmonton, their Designated Branch Office is in Lacombe and they must drive to Calgary for AFSC Business purposes, they shall charge from Lacombe to Calgary.
- 2) If an employee is working from their Preferred Branch office in Calgary, their Designated Branch is Lacombe and they travel to Lethbridge for AFSC business, they shall charge from Calgary to Lethbridge.
- 3) If an employee is working from an approved alternate location in Canmore, their Designated Office is Lacombe and they must drive to Okotoks for AFSC business, they shall charge from Canmore to Okotoks.



- b) damage to the windshield or window glasses to a maximum amount as set out in Appendix "A," or,
- c) employees claiming the Personal Vehicle Allowance under section 8.8 are not eligible for glass damage compensation.

## **Ground Transportation**

- 8.19. While on travel status at a location where use of a corporate or personal vehicles is not feasible, taxis or rideshare services may be used.
- 8.20. In a situation where a rental car is practical, an intermediate or smaller car is preferred; however, the size and type of rental car should be appropriate for the number of people in the car, road conditions, and nature of the need. In car navigation system and electric toll payment (where appropriate) are reimbursable expenses but all other convenience options are non-reimbursable.

## **9. ACCOMMODATION EXPENSES**

- 9.1. When a Claimant is traveling on AFSC Business and overnight accommodation away from their residence is necessary, the actual cost of accommodation or an allowance as outlined in Appendix "A."
- 9.2. When possible, employees are expected to use their AFSC identification card to receive discounts at participating hotels.

## **10. MEAL EXPENSES**

- 10.1. You may incur a meal expense when you are travelling on AFSC Business. Reasonable and appropriate meal expenses may be reimbursed. Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense.
- 10.2. When traveling on AFSC Business, a Claimant may claim either:
  - a) the actual cost of the meal; or
  - b) the meal allowance.
- 10.3. The actual cost of the meal is the amount shown on the receipt, including gratuity, excluding alcoholic beverages;
- 10.4. The breakfast, lunch, and dinner meal allowances are set out in Appendix "A."
- 10.5. When a Claimant is traveling on AFSC Business for part of a day, they may be reimbursed for the receipted amount or the meal allowance:
  - a) for breakfast, if the departure time is 7:30 am or earlier or the return time is 7:30 am or later;
  - b) for lunch, if the departure time is 1:00 pm or earlier or the return time is 1:00 pm or later; or,
  - c) For dinner, if the departure time is 6:30 pm or earlier or the return time is 6:30 pm or later.
- 10.6. If a meal is otherwise provided or included in the cost of other expenses, such as airfare, accommodation, or training, the individual cannot claim a meal allowance. An itinerary and / or an agenda is required.



- 10.7. If an employee and spouse or benefit partner attends a government sponsored pre-retirement seminar; the employee may claim the spouse's or benefit partner's meals in accordance with this Policy.
- 10.8. The employee may claim with a receipt for the purchase of a meal during a break in an authorized overtime period or immediately following completion of an authorized overtime period the actual expense as set out in Appendix "A." The overtime hours must be more than two (2) consecutive hours beyond the normal daily work hours.

## **11. HOSPITALITY EXPENSES**

- 11.1. A Claimant may claim Hospitality Expenses if the hospitality:
  - a. is provided in an economical and consistent manner;
  - b. facilitates AFSC Business; and
  - c. is considered desirable as a matter of courtesy or protocol.
- 11.2. Hospitality events over \$600 require prior written approval at the Executive Leadership level.
- 11.3. A Claimant may only claim Hospitality Expenses if the event involves one or more participants who are not defined as a Claimant.
- 11.4. Hospitality Expenses where alcohol will be served requires prior written approval by the Chief Executive Officer ("CEO") or the designate. In cases where alcohol is provided, the arrangements must ensure the alcohol is provided in a responsible manner (e.g., food must always be served).
- 11.5. Claimants and Approvers shall strive to minimize Hospitality Expenses where possible, having due regard for the nature, size and intended business purpose of the hospitality event.
- 11.6. A Claimant shall ensure that:
  - a) the attendance of each host or AFSC representative is documented and justified;
  - b) the number of host or AFSC representatives attending the event is minimized and limited to those who have the most direct involvement with the business purpose of the event; and,
  - c) partners of host or AFSC representatives attend only when required by protocol.
- 11.7. All claims for reimbursement of Hospitality Expenses must include the following details:
  - a) purpose;
  - b) date(s);
  - c) location; and,
  - d) type of hospitality event (e.g., breakfast, lunch, dinner, reception, refreshments, etc.).

## **WORKING SESSION EXPENSES**

- 11.8. Working sessions over \$1500 require prior written approval by the respective Executive Leadership Team member.

## **12. PERSONAL EXPENSES**

- 12.1. For each full twenty-four-hour period spent traveling on AFSC Business, a Claimant may claim an allowance for personal expenses either in Canada or international as set out in Appendix "A".
- 12.2. A Claimant may claim for the expense of one personal long-distance call each twenty-four-hour period.
- 12.3. Laundry and dry cleaning when travel is longer than four (4) consecutive nights.

## **13. GRATUITY**

- 13.1. Gratuities are a reimbursable expense and should be appropriate to the location, service level and local protocol and never to exceed 20% of the total bill.

## **14. MISCELLANEOUS EXPENSES**

- 14.1. Professional memberships, where appropriate, for the performance of the employees' position can be claimed as an expense e.g. Law Society of Alberta, professional accounting organizations, etc.).
- 14.2. Service Club Memberships, when appropriate, the Manager of a Cost Centre may approve annual membership fees of a Service Club for an employee where it is demonstrated that such membership would be beneficial to the Corporation's business interests.

## **15. EXCEPTIONS**

- 15.1. Policy exceptions and expenses pertaining to the employee level not expressly authorized by this Policy shall require approval from the Policy Owner.
- 15.2. Policy exceptions pertaining to the Executive Leadership Team require the approval of the CEO.
- 15.3. Policy exceptions for the CEO and AFSC Board Members require approval from the Board Chair.
- 15.4. Policy exceptions pertaining to the Board Chair shall require the approval of the Board Finance and Audit Committee Chair and the Board Risk Committee Chair.

## **16. REVIEW**

- 16.1. The Policy shall be reviewed five (5) years from its last reviewed date.

## APPENDIX A – TRAVEL AND MEAL REIMBURSEMENT ALLOWANCE RATE

Expense Type	Policy Section Reference	Reimbursement with Receipt	Allowance without Receipt
Claimable travel expense without a receipt	6.2	N/A	\$12.75
Personal Vehicle Mileage (used for AFSC related business)	8.12	N/A	\$0.55 per kilometre travelled
Personal Vehicle Daily Allowance (used for AFSC related business)	8.9	N/A	\$10.25 per day \$5.00 per day (under 10km)
Adverse Driving Conditions	8.8	N/A	\$8.55 per day
Use of a personal ATV	8.10	N/A	\$18.75 per running hour
Use of a personal snowmobile	8.10	N/A	\$10.98 per running hour
Vehicle idle compensation	8.14	N/A	\$0.02 per kilometre used during November 1 – February 28/29
Business Insurance Salaried Staff	8.16	\$500.00 per year (Maximum)	N/A
Business Insurance Adjusting Staff	8.17	\$0.05 per kilometre travelled to a maximum of 10,000 kilometers or \$500.00	N/A
Collision and Damage to personal vehicles	8.18(a)	\$500.00 per occurrence with another vehicle or animal	N/A
Collision and Glass Damage for personal vehicles	8.18(b)	\$200.00 per occurrence for window replacement	N/A
Accommodation	9.1	Actual Expense	\$20.15
Meals in Canada Breakfast Lunch Dinner	10.4	Actual Expense	\$13.00 \$17.00 \$27.00
Meals in US Breakfast Lunch Dinner	10.4	N/A	\$13.00 USD \$17.00 USD \$27.00 USD
Overtime Meal	10.8	Actual Expense up to \$10.35	N/A
Personal Expenses	12.1	N/A	\$8.00 – Canada \$14.65 – Outside of Canada