

Business Expense Reimbursement Policy

Title:	Ornge Business Expense Reimbursement Policy
Policy #:	FIN-POL-030 R2 (Ornge Business Expense Reimbursement Policy)
Applies to:	Ornge, and its wholly owned subsidiaries, Ornge Global Air Inc. and 7506406 Canada (collectively, and individually, "Ornge")
Issue Date:	November 15, 2018
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Approved Level:	Board of Directors
Category:	Corporate Governance

1. Introduction

Ornge is committed to accountability, transparency, value for money and fairness, and is bound by the Broader Public Sector Accountability Act, 2010 ("BPSAA") and the Broader Public Sector Expenses Directive issued by Management Board of Cabinet ("Expenses Directive").

This Policy applies to all persons submitting expense reimbursement claims ("Claimants") and to those approving expense claims.

NOTE: This Policy does not apply to reimbursements made from the President and Chief Executive Officer's (CEO) Fund which is not comprised of "public funds" within the meaning of the BPSAA.

2. Policy Statements

- a) **Cut-off:** Expense reports should be submitted no later than 90 days following the transaction date of the incurred expenditure, and a claim for reimbursement submitted no later than 30 days of leaving Ornge.
- b) **Non-reimbursable expenses:** Only expenses incurred to deliver services and supporting business purposes will be reimbursed. Non-reimbursable expenses include, but are not limited to:
 - Recreational expenses (e.g. video rentals, mini bars, etc.);
 - Traffic and parking violations;
 - Alcohol;
 - Companions (e.g. friends or family members); and
 - Expenses incurred while working from home.
- c) **Expense reports/receipts:** To submit a claim, an expense report must be created within SAP Concur. The Claimant must attach a copy of the itemized receipt to support the amounts being claimed for reimbursement. Non-itemized credit card slips are insufficient to support a claim for reimbursement.

3. Collective Bargaining Agreements

Collective Bargaining Agreements contain travel expense provisions for unionized employees. Where there is a disagreement between this Policy and a Collective Bargaining Agreement, the Collective Bargaining Agreement has precedence.

4. Reimbursement of Travel Expenses

General Guidelines: Ornge has the authority to determine when business travel is necessary, to authorize travel, and to ensure that travel arrangements are consistent with the provisions of this Policy. Following consultation between the Supervisor and the Claimant, Ornge has the authority to determine which travel arrangements best accommodate the Claimant's needs and interests, and Ornge's operational requirements. Travel expenses should ordinarily be approved by a manager in advance.

Approval of travel in support of front-line services (e.g. repositioning, duty out, backfilling and training) is delegated to the Workforce Scheduling department (WFS) and/or Operations Control Centre Managers (OCM). For other travel, Claimants should complete a Travel Request form (available on compass) and seek pre-approval from a relevant Supervisor, who should verify that the travel request complies within this Policy.

Transportation related bookings, e.g. air, hotel, rail and car rental, should ordinarily be processed through the centralized on-line system, managed by designated travel coordinators and/or OCM for duty-out arrangements.

Claimants should inform travel coordinators of:

- cancellations, on a timely manner, providing justification to substantiate any cancellation costs; and
- changes in the travel arrangements, providing evidence of approval from a relevant Supervisor or the Manager of WFS for any additional costs resulting.

Travel Outside Ontario: All travel outside of Ontario must be approved in writing in advance by a Department Head and CXO (meaning, a member of the EMT, as defined in Section 9, Role #3). Exceptions to CXO approval:

- travel where final destination is Kenora,
- travel related to patient transportation dispatched by the Operations Control Centre (OCC), which only requires OCM approval, and
- travel related to pilot training, which only requires Department Head approval.

When more than one Claimant attends a meeting or event, all related costs and the reasonableness of travel arrangements should be considered when making the travel arrangements.

Travel expenses will not be reimbursed until completion of travel.

Advance Approval: A Department Head may pre-approve travel up to one year in advance, for example, expected travel over the course of a fiscal year. The pre-approval must describe the expected travel and be provided in writing. Supervisors should satisfy themselves as to the reasonableness of the expected travel before providing approval. Advance travel pre-approval applies only to travel authorization, not to any resulting expense claims.

Travel Expense Categories:

- a) Accommodation:** The standard for accommodation is a single room, in a safe environment, conveniently located and comfortably equipped. WFS maintains a designated vendor of record service provider listing, which is reviewed and approved annually by the Director of Base Management. When travelling in Canada, the maximum payable accommodation rate is \$250 per night (excluding gratuities, fees and taxes). In situations where the accommodation rate is in excess of the limit above (due to availability, peak seasons etc.), if the vendor is one of the approved listed designated providers; accommodation can be booked with documentation explaining the circumstances. If the vendor is not one of the approved listed designated service providers, the Base Manager on call or the OCM must provide approval, with proper explanations documented.

Accommodations include hotels, motels, corporate residences and private non-commercial accommodations that consider key factors such as level of accommodation, location, on-site facilities and rates. Please note that personal preferences may not be met.

If travelling in the United States, the maximum rate in Canadian funds established above remains the same and will be paid in Canadian dollars.

- i. **Exceptions and Changing Booked Accommodations:** For sudden unplanned emergency accommodations due to circumstances such as weather, the Claimant must contact Workforce Planning (WFP). In the event WFP is not available, contact the OCM to cancel and re-book accommodations at a location that has a similar price to the original booked accommodations.
- ii. **Private Accommodation:** Although Claimants generally stay in commercial accommodation, private non-commercial accommodation with family or friends is encouraged. A maximum of \$50 per night for gratuitous lodging expenses is allowed. Instead of a receipt, a written explanation describing the purpose of the trip, identifying the host and the number of days you stayed, is required. This amount does not include the cost of meals. Meals can be claimed separately for these days in accordance with Section 4 (d) below.

Cost effectiveness will be determined by WFS department by comparing the total cost of accommodation and transportation in the private non-commercial accommodation versus available commercial accommodation and associated transportation costs.

- b) **Transportation:** The selection of the mode of transportation should ordinarily be based on the evaluation by WFS which takes into consideration overall cost, time efficiency, convenience, safety and practicality. Consideration will be given to Claimant's schedules and potential overtime cost, direct travel options (number of connections) and other Claimants traveling to the same destination.

- i. **Air:** Economy is the standard option for ticket purchase. Travel in a more expensive class of service must be approved in advance by a Departmental Head and CXO, and will generally only be approved for flight segments over six hours in length.
- ii. **Rail:** The standard for rail travel is economy/coach class.
- iii. **Taxi/Ridesharing:** Ornge has direct billing accounts with taxi companies in various communities commonly frequented by Claimants. Taxi chits may be available from corporate offices or bases where direct billing accounts exist. Ornge currently does not have a ridesharing account, however where practical, employees are permitted to use ridesharing programs (e.g. Uber). Receipts must be submitted clearly identifying the gratuities separately. Proper documentation (such as to/from locations, amount paid, etc.) are required to be submitted with the expense claim.

The following two options are available for employees who are required to travel to an airport for work purposes:

Option 1: Taxi arrangement to/from Primary work location (PWL)*

The preferred method is for staff to drive to PWL, park and take a taxi from PWL to airport. Ornge will reimburse the cost of parking at the base (if applicable) and the cost of the taxi to and from the airport. The manager must pre-approve the expense reimbursement claim or identify the need on the travel request form.

**(PWL) refers to Ornge base office or corporate office an employee was contracted to work.*

Option 2: Direct transportation from home to airport (and back):

There are situations where it is more efficient or feasible for an employee to obtain transportation directly from a place of residence to an airport and/or back. The maximum reimbursement is \$100 one-way (including gratuities and taxes) and must be approved by the manager.

Other travel: Employees required to obtain transportation for work purposes other than that mentioned above must obtain a written approval from a manager.

Where there is no other mode of transportation available, a reasonable taxi reimbursement expense will be approved for transport required to obtain a meal.

- iv. **Road:** The selection of road transportation must be based on overall cost, convenience and practicality. On an exceptional basis, Ornge will reimburse toll road charges incurred, if they are supported by appropriate receipts and travel approval documentation.

As a guideline, one-way driving distances which are:

- 250 kilometers (km) or less: Employees can use private vehicles without the need to consult with WFS.
- beyond 250 km: WFS will book travel based on the selection criteria above. Should an employee wish to deviate from the recommendation for one-way distances of more than 250 km, the evaluation will be done between air travel, personal vehicle and rental vehicles. The method selected must be approved and explained by the Supervisor.

- v. **Rental Vehicles:** When renting a vehicle, a standard model or its equivalent is required. During October 15 to April 15 for travel originating or terminating in Sudbury or north of Sudbury, a four-wheel drive vehicle or a vehicle with snow tires or equivalent is permitted.

Luxury and sports vehicles must be avoided. In circumstances where such vehicle is the only one available, documentation confirming this from the rental car company must be provided.

Wherever practical, the rental car should be refueled. When this is not possible a written explanation is provided to the manager.

Collision damage waiver is covered by Ornge corporate insurance. Employees renting vehicles for business do not require any additional coverage. Ornge will not be responsible for risk or damage relating to usage of such rental vehicle by non-Ornge employees.

Extending a rental vehicle for personal use is not permitted. An employee must return the vehicle and then rent under their own name if they wish to extend.

- vi. **Mileage-Private Vehicles:** Claimants intending to use private vehicles for business travel must hold a valid driver's license. Kilometers are calculated using the distance from the Claimant's PWL or home, **whichever is less**. In the case of a non-union Claimant driving on a weekend to/from a public carrier terminal (e.g. airport, bus or train station) before/after work-related travel, the reimbursable kilometers are calculated using the distance from the Claimant's home only, regardless of if distance to work location is less. The following guidelines apply:

- Daily mileage from hotel/residence to place of work is not a reimbursable expense regardless of travel situation.
- Mileage to obtain meals or attend events outside of Ornge's business is not a reimbursable expense.

Mileage reimbursement expense for the use of a personal vehicle while on approved company business shall be paid at the current Canada Revenue Agency (CRA) rate.

Ornge reserves the right to reduce the rate per km paid where the amount claimed is significantly greater than other available travel options, in particular, rental vehicles.

Claimants should use the most direct, safe and practical road routes and claim only for distances driven on Ornge business.

Ornge assumes no financial responsibility for privately owned vehicles other than paying the rate for actual km driven for business travel only. Ornge is not responsible for reimbursing insurance costs or deductible amounts related to insurance coverage or paying claims for any damages.

Legislation requires that all vehicles must be insured by the registered owner. Coverage should be equal to or greater than the minimum liability specified in the Insurance Act. Drivers who may on occasion drive on company business should confirm with their insurer that their motor vehicle insurance coverage includes business use. Ornge will not reimburse insurance costs relating to business use coverage, unless pre-approval is given by a Supervisor, based upon a specific business assignment.

- vii. **Parking:** Reasonable short-term parking costs incurred on Ornge business will be reimbursed. Parking costs at a public carrier terminal during a period of absence will also be reimbursed where it is practical and economical to have parked a vehicle there. Where feasible, parking should be at the Headquarters or at the applicable base.

- c) **Insurance:** Employees, with the exception of part time employees, have insurance coverage for Medical Emergency and Travel Assistance while they are travelling outside their province of residence or outside of Canada. Details of coverage are provided in benefits provider website or Human Resources department.
- d) **Meals:** Meal allowances will be paid to Claimants for meal expenses while travelling. Receipts are not required to be submitted. The daily maximum limit is \$95.00, which includes taxes, and up to a maximum of 15% in gratuities, and is disaggregated as follows:
- Breakfast \$25.00
 - Lunch \$30.00
 - Dinner \$40.00

Claimants must ensure that per diems are not claimed if a complimentary meal was provided. (Examples: lunch provided at a training session or breakfast provided at a hotel paid for by Ornge and was used by the Claimant, unless otherwise stipulated in a CBA).

Where one Claimant pays for a meal for multiple Ornge Employees, the most senior Claimant must ordinarily take responsibility for payment and reimbursement. An itemized receipt and list of attendees is required. The Claimant will be reimbursed for actual expense incurred up to the meal allowance maximum. Employees may claim the meal allowance when they are on Ornge business provided:

- it is pre-approved by a manager; and
- the employee is required to travel away from PWL over a normal meal period.

If travelling within the United States, the maximum rates established above remain the same, but in U.S. dollars, and will be converted and reimbursed in Canadian dollars.

If travelling outside of Canada and the United States, the maximum rates established above will be converted into the foreign currency amount based on international exchange rates posted by the Bank of Canada on the days of travel and will be reimbursed in Canadian dollars.

- e) **Incidentals:** In circumstances where unplanned overnight travel occurs (e.g. flight cancellation, weather delay), a Claimant may claim up to \$20 per trip for purchased incidentals (i.e. toiletries).
- f) **Laundry/Dry Cleaning Services:** Claimants who are away from home for five or more consecutive days will be reimbursed for reasonable expenses for laundry and dry cleaning.
- g) **Telephone and Other Technology Related Charges:** Reasonable costs for necessary personal calls home will be reimbursed while travelling. The most cost-effective method should be used in order to minimize costs. Other technology uses such as connection via portable and mobile devices should be pre-approved by Employee's Supervisor and Ornge's IT department. The most cost-effective method should be utilized.
- h) **Companions:** Where deemed appropriate by Ornge, a companion may accompany the Claimant. Companion travel expenses are the sole responsibility of the Claimant and no costs directly attributable to the companion will be reimbursed unless approved on an exceptional basis by a CXO.
- i) **Travel Related Expenses:** When an Employee is required to travel outside Canada on authorized business, Ornge will reimburse the cost of passports, visas, and required health preparations (e.g. inoculations, vaccinations, X-rays and certificates of health).

5. Reimbursement of Non-Travel Expenses

a) Meals:

- i. **Meals When Overtime is Worked:** Non-unionized Employees may be reimbursed for meals when working overtime, provided that the following conditions are met:
- Overtime hours worked is greater than three consecutive hours (a) in addition to a normal workday or (b) on a weekend, and
 - Pre-approval is provided by a manager that justifies the reason for overtime reimbursement. (Unionized employees should refer to the applicable CBA).

Itemized receipts must be submitted with the expense claim. Claims can be made up to the daily maximum limit, disaggregated by meal period as outlined in Section 4 (d) above.

- ii. **Centrally Purchased Meals (Catered Events – Example: work meetings or group training sessions):** Centrally purchased meals qualifies as a reimbursable expense, once the following two conditions are met:

- the meeting must occur over a meal period and be at least five hours in duration; and
- the meeting must include a minimum of five attendees.

Itemized receipts must be submitted with the expense claim along with a detailed list of attendees and time/duration of the event. Claims can be made up to the daily maximum limit per attendee as outlined in Section 4 (d) above.

Management is expected to exercise professional judgement and discretion when approving group related meal reimbursements and must ensure it is within approved budget and that all conditions are satisfied as noted above when an expense claim is submitted for reimbursement. Claimants must not submit a separate meal expense claim if a complementary meal was already provided.

When a meeting includes participants in addition to Ornge staff, members of any Broader Public Sector organization or any Ontario Government Ministry, Agency, or Public Entity, Section 6 (Reimbursement of Hospitality Expenses) of this Policy applies.

- b) **Taxis when overtime is worked:** If a non-unionized Employee who normally uses public transit to commute to work is required to work overtime at the request of a Supervisor, Ornge will reimburse the cost of a taxi home if transit is no longer available, or safety concerns warrant. Receipts are required for reimbursement and must show the gratuity separately (maximum of 15% gratuity allowed).
- c) **Employee recognition and engagement:** Employee recognition and engagement events (e.g. for meritorious performance achievement or project completion) are reimbursable expenses provided that they are appropriately modest, fit the circumstances and have budget approval. Refer to Recognition Program Policy (HR-POL-014).
- d) **Gift-Giving:** Appropriate token gifts of appreciation, valued up to \$30, may be offered in exchange for gifts of service or expertise to people who are not engaged in work for Ornge. Gifts over \$30 must be approved by a Department Head. Gifts over \$100 must be approved in advance by the CEO.
- e) **Additional Business Expenses:** Employees may be reimbursed for business expenses incurred which are not otherwise described in this Policy via the Expense Report process with appropriate approval, such as business calls, photocopies, word processing service, faxes, rental and transportation of necessary office equipment and transportation of required personal effects.

Overall employees should be prudent and diligent by taking cost-effective measures when incurring business related expenses, including utilizing the most cost-effective means of connecting to the office via portable and mobile devices while travelling.

Employees whose schedules have been altered for reasons outside their control will be reimbursed reasonable telephone costs to attend to situations related to the altered schedule.

6. Reimbursement of Hospitality Expenses

- a) **Hospitality:** For the purposes of this Policy, hospitality is the provision of food, beverages, accommodation, transportation or other amenities paid out of public funds to people who are not engaged to work for:
 - Ornge
 - BPS organizations designated as such by the Expenses Directive, or
 - any Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive: (<https://www.ontario.ca/page/travel-meal-and-hospitality-expenses-directive>).

Functions of a social nature for only those people as defined above are not considered hospitality and

cannot be reimbursed as such. Hospitality may never be offered solely for the benefit of anyone covered by this Policy. Examples: internal company social events, retirement parties and holiday lunches.

Hospitality may be extended to people other than those indicated above in an economical, consistent, and appropriate way when it will facilitate business activities or is considered desirable as a matter of courtesy. Hospitality may only be authorized by a Department Head or CXO.

When a hospitality function includes vendors (current or prospective), the event organizer is responsible for obtaining prior approval from a Department Head to ensure that the event does not give, and is not perceived to give, preferential treatment to any vendor.

i. **Costs:** Functions should minimize costs but be consistent with:

- The status of the guest(s);
- The number of persons attending; and
- The business purpose to be achieved.

ii. **Internal Control:** Employees must ensure that hospitality expenses are recorded, and records contain the following information for each event:

- The circumstances, including any requiring special authority;
- The form of hospitality (breakfast, lunch, dinner, reception, refreshments, etc.);
- The cost, supported by receipts;
- Name and location of the establishment;
- The number of attendees listed by category (e.g. guests, government representatives);
- Names of attendees, their titles and company name; and
- Any required approval by a CXO.

iii. **Attendees at Hospitality Events**

Employees may only be invited to attend an event if they have direct involvement in the business purpose of the event. The host extending the invitation must document the list of Employees.

Hospitality extended to the spouse of an Employee must be restricted to situations where the presence of the spouse enhances the conduct of the event or because of protocol.

7. Escalations and Exceptions

Ornge is a complex, dynamic organization providing a wide range of services to the public 24 hours a day, every day of the year. This Policy cannot contemplate every single reasonable expense scenario. Exceptions to the application of this Policy may be considered, to the extent lawful to do so.

Any exceptions (unless otherwise stated within this Policy) **must** be supported by CXO approval. The Claimant is responsible to work with the appropriate Supervisor to ensure that the functional CXO approval is obtained, documented and attached within the expense report as supporting documentation. A comment shall be left in the expense report stating the exception to the policy with a brief description of the exception. If the functional CXO is part of the approval workflow in Concur, a separate approval is not required. If not, an email approval must be obtained and attached to the expense claim.

Finance may contact Claimants or Supervisors for further clarifications or requests due to lack of information, unclear information or potential exceptions to the policy. This may result in delays in the processing of claims if relevant supporting documentations are not included within the submitted expense report.

8. Restrictions Applicable to Consultants and Contractors

Consultants and contractors, including Transport Medicine Physicians, will only be reimbursed for the allowable expenses specifically provided for in their Ornge contract. Such contracts may not provide for the reimbursement of hospitality, incidental or food expenses. Notwithstanding any contract provision to the contrary, consultants and contractors cannot claim or be reimbursed for such expenses, including:

- Meals, snacks and beverages;
- Gratuities;

- Laundry or dry cleaning;
- Valet services;
- Dependent care;
- Home management; and
- Personal telephone calls.

In all circumstances, contract terms related to expenses must be consistent with the *Expenses Directive* and this Policy.

9. Roles and Responsibilities

Role # 1 – Board of Directors (Board):

The Board has approval authority and ultimate accountability for this Policy.

Role # 2: Finance and Audit Committee (FAC):

The FAC has the responsibility for reviewing the Policy and making recommendations to the Board with respect to the approval of this Policy.

Role # 3: Executive Management Team (EMT)

EMT is responsible for reviewing the Policy with a view to operational and administrative impacts across the organization and for endorsing the submission of this Policy to the FAC for review and approval for recommendation to the Board. EMT collectively refers to the President and Chief Executive Officer (CEO), Deputy CEO and Chief Operating Officer, Chief Medical Officer, Chief Aviation Officer, Chief Financial Officer, Chief Human Resources and Labour Relations Officer and Chief Legal and Administrative Officer.

Role # 4: Chief Financial Officer (CFO)

The CFO is responsible for ensuring that the Policy is reviewed at a minimum, once a year. This includes submitting the Policy for review by the EMT and securing the endorsement of the EMT prior to submitting the Policy to the Finance and Audit Committee.

Role # 5: Director Financial Services and Corporate Controller (Director)

The Director is responsible for overseeing the effective implementation, administration, and continuous improvement of this Policy. This role includes responding to comments and feedback, addressing stakeholder concerns, and facilitating open communication to ensure the policy remains relevant and effective. The Director also conducts annual reviews, identifies areas for improvement, and implements necessary updates.

10. Cross References

- Board Delegations of Authority (CORP-POL-005)
- Ornge Board Service Policy (FIN-POL-021)
- Credit Card Policy (FIN-POL-020)
- Recognition Program Policy (HR-POL-014)
- For unionized Employees, the applicable Collective Bargaining Agreement
- Invoice/Expense Reimbursement Approval Procedure (FIN-PROC-002)

Please forward any comments to:

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