

Approved University Policy

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1.0 **Purpose**

1.1 The purpose of the policy is to ensure that hospitality expenses paid by the university are managed in a consistent and cost effective manner that supports the institutional mission with a clear university purpose.

2.0 **Applicability**

- 2.1 This policy applies to all employees of the University, as well as registered students and non employees. As an employee of a public institution which aims to use its resources as effectively as possible, employees are expected to be reasonable and exercise care in incurring hospitality expenses.
- 2.2 This policy governs the payment of hospitality expenses from all sources of funds provided or administered by the University with the following exceptions:
 - a) Funds collected as Residence House Dues and/or similar residence accounts shall be governed by the Residence Policy for the Expenditure of House Dues/Don's accounts.
 - b) In the case of expenditures to be expensed to research accounts, the terms and conditions of the funding agency may also apply. Please see the NSERC web site for Professors for restrictions determined by NSERC, SSHRC or CIHR related to expenditures to research projects funded by them.
 - c) Exceptions to this policy for research accounts are only permitted if external grants/contracts specifically allow for such expenditures. In these cases, a copy of the applicable clause from the grant/contract is to be included with the appropriate supporting documentation.
- 2.3 The issues of effective fund management and stewardship are prominent with respect to hospitality because of the potential for personal benefit and the general perception in that regard. If a circumstance arises that is not specifically covered in the procedures below, the claimant or signing authority must adopt the most conservative course within the "spirit" of this policy. Consultation with the Financial Services Department in advance of incurring the expenditure is advised.
- 2.4 At times, special circumstances arise that may warrant exceptions to ensure institutional consistency, such as deviations from the list of ineligible expenses. In this case approval of the exception, must be granted on an "one-over-one" administrative level until written approval is obtained by the Dean or Director from the appropriate Vice President (or in the case of the VPs, from the President) prior to incurring the expense. That written pre-approval must accompany the expense claim.

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- 2.5 Other exceptions to this policy must have prior approval by the Vice President (Finance & Corporate Services), the Comptroller or the Director of Financial Services & Assistant Comptroller.
- 2.6 It is the responsibility of each employee involved in the reimbursement of hospitality expenses to ensure compliance with this policy.

3.0 Definitions

- 3.1. "Hospitality" means the provision of food and beverages, social or recreational activities, events and functions and gifts in support of the educational, research or services activities of the University of New Brunswick. Hospitality normally involves:
 - a) the hosting of an external individual or group; or
 - b) employee/student only activities such as work meetings and social functions.
- 3.2. "External individual" means guest, visitor, prospective faculty/staff/student, benefactor or stakeholder. Spouses/partners of university employees/students are normally not considered external guests.
- 3.3. "Employee" means an individual who is engaged to work for the University under a contract of service, that is, there is an employer-employee relationship between the individual and the University. For clarity, this term includes support staff, management and professional staff, senior administration, researchers, and faculty members, including anyone employed through a personal services contract.
- 3.4. "Senior administration" is defined as members of the University Management Committee (UMC), Dean's Council, Directors +, and VP SJ Senior Advisory Committee.

4.0 Guiding Principles

- 4.1 As a publicly funded institution, the university is accountable for the effective and efficient use of its resources and for ensuring those resources are deployed in the best possible way.
- 4.2 While the university recognizes that Hospitality expenditures will be incurred in carrying out its teaching, research and services activities, for many departments these expenses are expected to be minimal. The number of visitors being hosted and the number of university employees attending should be reasonable and appropriate to the purpose of an event.

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- 4.3 Hospitality expenses in support of the university's mission will be reimbursed subject to this policy and provided that the expenses are:
 - a) Properly approved expenditures must normally be signed off by the individual's supervisor or "one-over-one" authority;
 - b) Reasonable a reasonable expense is deemed to be based on sound judgment, prudence and moderation; and
 - c) Appropriately documented appropriate documentation includes original receipts and records indicating the number of attendees and a statement of justification for the expenditure. Names of the attendees are required for clarification of expense claims and reporting purposes.
- 4.4 There is a long standing tradition at the university of faculty and staff voluntarily and spontaneously contributing to gifts in honor of fellow members of faculty and staff and to departmental social funds. Nothing in this policy is intended to discourage this tradition.

5.0 **Guidelines for Claiming Hospitality Expenses**

- 5.1. The expenses must relate directly to activities that arise from the performance of duties and responsibilities of the employee(s) incurring the expenditure. The purpose of the hospitality, and the name of the group or the names of the individuals being entertained must be listed on the Hospitality Details Form to be submitted with the appropriate claim form. This documentation is required to substantiate the business nature of the expenditure.
- 5.2. Hospitality expenses must be charged to an account designated for such expenses. Object codes 63031, 63032 and 63033 have been assigned for this purpose.
- 5.3. A claim for reimbursement of hospitality expenses must be supported by the original detailed receipt. When a receipt is not available, an original itemized document on company letterhead acknowledging receipt of payment is necessary.
- 5.4. Hospitality Details Form must be submitted with all required documentation and with the appropriate claim form within 20 working days of completion of the event.

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6.0 Approval and Signing Authority

- 6.1 Employees must have advance authority from a member of senior administration (see definition in section 3.4) to incur hospitality expenses on behalf of the University.
- 6.2 All claims must normally be approved by the employee's direct supervisor following "one-over-one" signing authority to the levels indicated in this policy. In no circumstances, may an individual approve their own expenditures or the expenditures of subordinates where any part of the reimbursement contains amounts attributable to the authorizer.
- 6.3 Except where indicated otherwise, hospitality expenses are to be approved for reimbursement by an individual at least one administrative level higher than the person claiming reimbursement.
- 6.4 In keeping with the principle of "one-over-one" administrative approval of hospitality expenditures, the most senior person in attendance from the hosting unit is to pay for and expense the related costs. It is important to distinguish between the most senior attending member of the University and that of the hosting unit.
- Approval of the Vice Presidents' claims and the President's claims will be approved in accordance with the table set out in Appendix B.
- 6.6 The person who approves payment is responsible for ensuring that claims for expenses are considered appropriate, reasonable and in accordance with University policy and guidelines. Original signatures are required.

7.0 Personal Reimbursements for Non-Employees

- 7.1. When a spouse/partner, dependents, relatives or friends attend a function, the individual's presence is considered to serve a university purpose if (s)he has a significant role in the proceedings or makes an important contribution to the event. If a spouse/partner, dependent, relative or friend has no significant role in the proceedings or performs only incidental duties of a social or clerical nature his or her attendance does not constitute a bona fide university purpose.
- 7.2. Approval must be granted on a "one-over-one" administrative level until prior written approval is obtained by the Dean or Director from the appropriate Vice President (or in the case of the VPs, from the President) to allow reimbursement of expenses incurred by a spouse/partner, dependents, relatives or friends.

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- 7.3. If prior written approval is granted, the written approval must be attached to each reimbursement request.
- 7.4. Whenever possible, such expenses should not be included on invoices or receipts submitted on claims when there has been no prior written approval. In cases where they are included, they must be clearly shown as reductions on the invoice/receipt and on the appropriate claim form.
- 7.5. Journal entry transfers between departments relating to costs for a spouse/partner, dependents, relatives, or friends must have the prior written approval from the Vice President responsible for the receiving unit (or in the case of the VPs, by the President) attached before submission for processing to Financial Services.
- 7.6. Exceptions to this section of the policy are:
 - a. When home hosting, the spouse/partner of the host is permitted.
 - b. When restaurant hosting and guest's spouse/partner is present, it is reasonable to have the host's spouse/partner present as well.
 - c. Spouse/partner, dependents, relatives or friends may attend a Departmental Social Function (see Section 10.0), when their presence will not incur additional expense to the University and will be absorbed in the allocated budget of \$50 cumulative per employee per year.

8.0 Eligible Expenses while Hosting External Guests

- 8.1 The following examples are given to demonstrate the kinds of activities where payment of hospitality costs are eligible for reimbursement. This includes (but is not limited to):
 - Guest lecturer for a class within a University course
 - Special lecturer hosted by the University
 - Reception associated with a research colloquium
 - Meeting with potential external research collaborator or industrial partner
 - Meeting with potential donor
 - Prospective employees or graduate students
 - Receptions following public lectures. Discretion should be exercised on the determination of the total number of guests.

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- 8.2 The following examples are given to demonstrate the kinds of costs that are eligible for reimbursement:
 - Beverages and refreshments for publicly attended seminars. The exact date, seminar name or purpose of meeting and attendees must be indicated on the <u>Hospitality Details Form</u>. When the public is invited to such events, please attach the public invitation and indicate on the <u>Hospitality Details Form</u> that "X number" of public attended as it is not necessary to list their names.
 - Meals while hosting an external guest.
- 8.3 Hospitality expenses up to the amount specified in Appendix A may be authorized by the appropriate authority provided that the expenses incurred are reasonable and are in accordance with the procedures contained in this policy.
- 8.4 Home hosting may be an appropriate form of hospitality in certain situations. Appendix A sets out the maximum amounts that can be charged to the University for home-hosted hospitality. Generally this will result in the same cost for the hosting but will permit approximately twice the number of individuals to be hosted including the spouse/partner of the host. Balance between internal and external attendees is encouraged.
- 8.5 **Restaurant Hosting** may be an appropriate form of hospitality in certain situations. A guideline as to the number of people hosting expenses will be reimbursed is as follows:
 - 8.5.1 In the case of a single visitor a maximum of the guest and three University employees.
 - 8.5.2 In the case of a visitor accompanied by a spouse/partner a maximum of the guest and spouse/partner of the guest, and two others, one of which may be the spouse/partner of a University employee.
 - 8.5.3 In the case of a group of official visitors, the total number of the group as approved by the appropriate Dean/Director. In such case, the Dean/Director is encouraged to maintain a reasonable balance between the number of University employees and the number of visitors.
 - 8.5.4 While it is expected that there may be certain circumstances when the number of guests exceeds these norms, approval to host larger numbers must be obtained from the next level senior administrator.
- 8.6 The maximum reimbursement will be in accordance with Appendix A.

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9.0 Departmental Work Meetings and Local Meals

- 9.1 Employee work meetings include ad hoc workshops, training sessions and planning meetings attended primarily by employees/students. External individuals (e.g. consultant, facilitator) may also be in attendance.
- 9.2 Individuals scheduling work meetings and arranging meals or refreshments must consider the University purpose, frequency and regularity of incurring such expenses.
- 9.3 Meals or refreshments, excluding alcohol, provided at work meetings attended solely by university faculty/staff/students are permitted as long as the purpose of the meeting is work-related and the cost per individual is reasonable.
- 9.4 Local meals with colleagues should be considered a personal expense unless the business being conducted is such that it cannot be done in the office. An explanation of the reason as to why the meeting could not take place in the office must accompany the reimbursement request. The maximum that can be claimed is equivalent to the Travel Policy meal allowance per person.

10.0 Departmental Social Functions

- 10.1 Generally, departments may incur reasonable costs towards employee social events. Reasonable costs are defined as no more than \$50 cumulative per employee per fiscal year and should be monitored in total against an established budget. (See Appendix A). Examples of social events include holiday receptions/lunches, employee picnics/ BBQs, etc. but exclude retirement functions and university-wide functions which are addressed separately below.
- 10.2 In order to comply with Canada Revenue Agency (CRA) Guidelines and to avoid events from being considered taxable benefits, events must be open to all employees in a department and the primary purpose cannot be team building, recognition for completing a task or project, or thanks for a job well done, as this is considered by CRA to be employment-related compensation.
- 10.3 Departmental social function costs would include: renting facilities, ticket purchases, food and non-alcoholic beverages, and entertainment. Ancillary costs such as taxes and tips are included in the \$50 threshold.
- 10.4 Alcoholic beverages for department social functions will not be reimbursed, including those that are home hosted, unless prior approval is obtained by the one-over-one senior administrator, a liquor license has been obtained for the event, the alcohol is served by a licensed bartender and consumption is managed by limiting the number of drinks.
- 10.5 Alcohol, if available and paid for personally, should be used responsibly, recognizing risks of consumption.

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- 10.6 Individual travel costs for employees to attend a departmental social function will not be reimbursed.
- 10.7 All expenditures for reimbursement approved under social function costs will be coded in the General Ledger to object code Employee Hospitality (63031) and/or Hospitality Alcohol (63032).

11.0 Departmental Student Functions

- 11.1 The University values its relationships with its students and events recognizing their achievements are important components of the student experience. Accordingly, one or two on-campus student receptions per term per Department is a University expense.
- 11.2 Sponsorships of students to attend University hosted events such as Faculty Awards Dinners are an eligible expense.

12.0 Departmental Retirement Celebrations

- 12.1 Departments may use university funds to subsidize retirement functions for faculty and staff over and above the social functions limit described above. A subsidy of up to \$10.00 per participant may be contributed toward the costs of the function.
- 12.2 Alcohol, if available, must be paid for personally and university funds must not be used for this purpose.

13.0 University-Wide Functions

- 13.1 Expenses associated with the presence of the honoured employee and their guest, and the honoured employee's Chair and Dean or Director and their guest(s) at the 25 Year Recognition Dinner are eligible. A modest amount of alcohol may be provided in appropriate circumstances.
- 13.2 Expenses associated with the presence of the honoured employee and their guest, and the honoured employee's Chair and Dean or Director and their guest(s) at the UNB Retirement Dinner are eligible. A modest amount of alcohol may be provided in appropriate circumstances.
- 13.3 Expenses associated with the attendance of staff whose area of responsibility is organizing the event are eligible.

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14.0 Alcoholic Beverages

- 14.1 Alcoholic beverages consumed in conjunction with University hospitality should be kept to a moderate amount. Food and non-alcoholic beverages should always be served when alcohol is available.
- 14.2 Alcoholic beverages will only be reimbursed if purchased in conjunction with necessary hospitality. A completed <u>Hospitality Details Form</u> must accompany a request for reimbursement listing the date of the meal or function, location, persons present and their affiliation, purpose and amount.
- 14.3 At all University/campus hosted events at which alcohol is served, e.g. meetings, conferences, receptions, parties, retirements, fund raisers, etc, the alcohol costs must be considered hospitality and charged to object code Alcohol 63032.
- 14.4 Alcoholic beverages for department social functions or work sessions will not normally be reimbursed. Please refer to Sections 9.3, 10.4 and 10.5.

15.0 Ineligible Expenses

Inclusive but not restricted to:

- Meals included in another reimbursable item (e.g. conference, accommodation, transportation, travel expense claim) unless the claimant has dietary restrictions or another valid reason that a provided meal was not able to be consumed.
- Local meals with colleagues without an explanation as to the reason why the meeting could not take place in the office.
- Beverages and refreshments for the general departmental use of employees and students.

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16.0 Guidelines for Claiming Hospitality Expenses

- 16.1 The expenses must relate directly to activities that arise from the performance of duties and responsibilities of the employee(s) incurring the expenditure. The purpose of the hospitality, and the name of the group or the names of the individuals being entertained must be listed on the Hospitality Details Form to be submitted with the appropriate claim form. Normally this would be a Personal Reimbursement claim unless hospitality was conducted while on Travel status and then would be submitted on a Travel Expense Claim Form.
- 16.2 A claim for reimbursement of hospitality expenses must be supported by the original detailed receipt. When a receipt is not available, an original itemized document on company letterhead acknowledging receipt of payment is necessary.
- 16.3 All receipts charging HST must have the supplier's HST registration number included to be able to claim the HST rebate portion.
- 16.4 If the business purpose of the expense is not readily apparent on the receipt/invoice because of the nature of the good or service provided, a detailed description should be added to the invoice or on the Personal Reimbursement Form.

17.0 Submission of Claims

- 17.1 Personal reimbursements for hospitality expenditures will be reimbursed to the claimant in accordance with this policy.
- 17.2 <u>Hospitality Details Forms</u> along with either a <u>Personal Reimbursement Form</u> or <u>Travel Expense Claim Form</u> are to be submitted to Financial Services (UNBF) or to Financial & Administrative Services (UNBSJ) within twenty (20) working days following the completion of the event.
- 17.3 All expenses claimed for reimbursement must be charged to appropriate accounts. The complete 16-digit general ledger account code must be included. Personal Reimbursement Forms with incomplete coding will be returned to the claimant.
- 17.4 Hospitality expenses must be charged to an account designated for such expenses. Object codes 63031, 63032 and 63033 have been assigned for this purpose.

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- 17.5 University employees will be reimbursed by direct deposit in Canadian funds in the bank account used for the employee's payroll direct deposit. A <u>Direct Deposit Form</u> (available on the Financial Services web site) may be completed if the employee wishes to have their payment deposited to a bank account that is different from where payroll is deposited.
- 17.6 Claimants should normally allow a twenty (20) business day turn-around time for reimbursement after the <u>Personal Reimbursement</u> claim has been received in Financial Services and audited for adherence to this policy. During extreme peak times, such as year-end, the turn-around time may be longer.
- 17.7 The University reserves the right to refuse processing of any receipt related to a fiscal year after that fiscal year end is closed.
- 17.8 The University reserves the right to reject unreasonable expenses, or expenses that are not in accordance with this policy.
- 17.9 <u>Personal Reimbursement Forms</u> which do not conform to these policies and guidelines will be returned to the claimant. <u>Personal Reimbursement Forms</u> which are resubmitted and still do not meet these policies and guidelines will be returned to the claimant's supervisor for clarification.

18.0 Interpretation of Policy

Questions about the interpretation of this policy and/or procedures, or its application to specific cases, should be directed to the Director of Financial Services & Assistant Comptroller or the Comptroller. It is always best to seek clarification prior to incurring expenses as some expenses may not be approved for payment by the University.

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Hospitality Policy	Financial Services
	

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Appendix A

Schedule of Reimbursable Hospitality Expenses

Eligible Expenses while Hosting External Guests

	Home Hosting	Restaurant Hosting
	Maximum to be reimbursed (including tax)	Maximum to be reimbursed (including tax and gratuity)
Receptions	\$10.00 per person to a maximum of 25 individuals	
Breakfast	\$10.00 per person	\$20.00 per person
Luncheon	\$15.00 per person	\$30.00 per person
Dinner	\$25.00 per person	\$50.00 per person

Gratuities:

The maximum to be reimbursed is 18% of lesser of the pre-tax bill and the reimbursable

amount.

Eligible Expenses while Hosting Internal Guests (primarily)

Department Social Functions

The maximum to be allocated is \$50 per employee per year for all functions. If you have a budgeted salary complement of 20.0 FTE's, the maximum amount to be spent on eligible employee hospitality over the fiscal year is \$1,000 and should be monitored against an established budget.

Department Work Sessions

Reasonable actual expenses for meals and refreshments, excluding alcohol will be reimbursed.

Local meals between colleagues, when deemed necessary, will be reimbursed at the appropriate meal allowance as outlined in the Travel Policy.

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Appendix B

Travel Expense and Personal Reimbursement Claims **Approval Protocols**

Name of Person Whose Claim is Being Reviewed		Name of Person who is Reviewing and Approving the Claim
President	\rightarrow	Chair of Board (approval) VP Finance (reviews)
VP Fredericton	\rightarrow	VP Research
VP Research	\rightarrow	VP Saint John
VP Saint John	\rightarrow	VP Advancement
VP Advancement	\rightarrow	VP Research
VP Finance	\rightarrow	VP Fredericton
University Secretary	\rightarrow	VP Finance
Chair of the Board	\rightarrow	University Secretary

Note - In order to avoid undue delays, if an individual is anticipating a period of extended absence from the office, that person should make arrangements with an alternate person to perform approvals.

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