



Procedure Title:

Hospitality and Business Expenditure Procedures

University Classification & Procedure Number:
A-004-21

Approval Body:
University Administration

Responsible Designate:

The Vice-President, Finance and Administration, is responsible for the development, administration, and review of these Procedures. The Comptroller is responsible for the operational administration of these Procedures.

Established:
11/01/13

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Not applicable

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1. Procedure Purpose

These Procedures function to implement the Travel, Hospitality and Business Expenditure Policy as it concerns Hospitality and Business expenditures. The Procedures set forth the documentation and approval processes for hospitality and business expenditures for both external and employee events.

The purpose of these Procedures is to ensure hospitality and business expenditures incurred on University business by faculty, staff, Board members and other individuals working on behalf of the University are effectively managed, support the University's mission and are controlled in a fair, consistent and convenient way.

2.0 Scope

2.01 These Procedures apply to all employees of the University and others seeking reimbursement of expenses regardless of the funding source.

2.02 The President's Expenditures Policy deals with expenditures incurred by the University President and Vice-Chancellor.

3.0 Procedure Elements

3.01 Authorization

3.01.01 Faculty and staff expense claims, including Research and TPDA, for all University Funds must be authorized by an appropriate authority in compliance with the 'one-over-one approval' principle.

4.02 Payment of Expenses

4.02.01 Payment of hospitality and business expenditures are normally expected to be processed in one of the following ways:

- Use of Corporate Visa cards;
- Reimbursement Claims or the University Travel Expense Claim Form;
- Directly via an approved purchase order and/or applicable Payment Voucher including original receipts or supplier invoice, subject to the requirements of the University Purchasing Policy.

4.02.02 Claims must be accompanied by original detailed receipts or paid invoices. Credit/debit card slips alone are not acceptable where detailed receipts are normally available, as they do not provide sufficient detail about the items being claimed or the applicable taxes.

4.02.03 Supporting documentation for all hospitality expenses must include:

- original receipts and records indicating the number of people in attendance (where practical);
- names of attendees and their title, where applicable;
- the purpose of the meeting and/or a statement of justification for the expenditure.

4.02.04 The University will not reimburse expenses that are older than one year. Claims older than one year may be reimbursed in exceptional circumstances, if approved by the Comptroller.

4.02.05 Reimbursement of expenses does not in itself constitute final approval and all expense statements are subject to audit and subsequent adjustment if necessary.

4.03 Responsibility

4.03.01 The appropriate administrator with signing authority is responsible for authorizing hospitality expenditures and ensuring compliance with policy and procedures by the employees in their departments.

4.03.02 For members of The University of Winnipeg Faculty Association (UWFA), the collective agreement should be consulted to determine who the appropriate administrator for the specific authorization in question is. For support staff employees, the appropriate administrator is that employee's Dean, Director or Head of the Administrative Unit. For employees who do not fall into either of the previous two categories, the appropriate administrator is the next higher level of authority ("one-over-one" rule of approval). The President and Board Member claims for reimbursement will be submitted to the Vice-President, Finance & Administration) for approval.

4.03.03 Members of the Board of Regents may be reimbursed for reasonable expenses, as per the University of Winnipeg Act. These must be approved by the Chair of the Board of Regents. Expense reimbursements for the Chair should be approved by the Chair of the Audit and Risk Committee.

4.03.04 Departmental social functions, which are limited to twice per fiscal year, require approval of the departmental Chair/Director/Dean, or higher authority.

4.03.05 Gifts and awards to employees should be by exception and must normally be approved by the department/Chair/Director, or a higher authority. For gifts and awards considered taxable (see Gifts Section) approval of a Dean, Executive Director or higher authority is required.

4.03.06 Exceptions to these guidelines and procedures may be authorized in appropriate circumstances with prior approval of the Vice-President, Finance & Administration and/or Comptroller.

4.04 Hospitality Involving Employees

4.04.01 Types of Expenditures: Hospitality may be provided to employees and paid by the University for work meetings which are unable to be held during regular business hours, and social functions where it supports the educational, research or service activities of the University. Expenses may include, but are not limited to, food, beverages, social or recreational activities. The following is an outline of hospitality categories along with examples of allowable expenses:

1. Meals or refreshments served at meetings:

The University may pay or reimburse expenses for meals or refreshments served during meetings on an exceptional basis. Business must be actively conducted during the meal period. Reasonable attempts should be made to schedule meetings during non-meal times. Following are examples of allowable business meeting expenses:

- Expenses for working breakfast, lunch, or dinner meetings, when groups of employees are giving up personal time to conduct University business and if the meeting could not be reasonably scheduled for another time. Attendance at such events is to be limited to those who can be expected to contribute to the objective of the meeting
- Expenses for meals or refreshments services at University sponsored seminars, workshops, orientations, or other University functions.
- Expenses for meals or refreshments services during University sponsored meetings of advisory groups, outside reviewers, or other committees when the group is composed of both University employees and non-employees.
- Alcohol is not an allowable expense.

2. Departmental Social Functions:

The University may pay or reimburse reasonable expenses for meals or refreshments served during up to two departmental social functions per year where all staff are included. Examples of allowable departmental social functions include:

- Holiday receptions
- Employee picnics
- BBQ's

Reasonable costs are defined as consistent with meal allowances provided in the University's per diem allowance for travel, per employee per function, and do not include any costs of alcohol.

In order to comply with Canada Revenue Agency (CRA) guidelines and to avoid events 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.

3. Retirement Functions:

The University may pay or reimburse reasonable expenses to subsidize retirement functions for faculty and staff over and above the two social event limit described above. This will be coordinated via the Human Resources department.

4. University-Wide Functions:

The University may sponsor a variety of social functions arranged through The President's Office, External Affairs or Human Resources, where the University is considered the primary beneficiary. Examples of allowable University-Wide functions include:

- The Retirees Reception
- Long Serve Reception

5. Employee Gifts and Awards:

Personal gifts and not an allowable University expenditure from any type of University fund. Birthday gifts, wedding gifts, baby shower gifts, Christmas gifts, memorial gifts, greeting cards, flowers, gifts to charitable organizations, etc. are all considered to be personal expenditures and should be paid for with personal funds.

These Procedures should not discourage the use of personal funds or departmental "social funds" to contribute to the cost of gifts to faculty and staff.

Generally, departments should avoid providing any gifts, especially those that CRA considers taxable due to the tax impact to the employee. In exceptional circumstances a Vice-President may approve taxable gifts. The value of the gift must be reported to Human Resources in order to add the benefit to the employee's taxable benefits.

All cash and near cash gifts are considered cash equivalents by CRA (e.g. gift cards) and are 100% taxable. Non-cash gifts may also be taxable, please confirm with Human Resources.

The following list of items is always considered taxable:

- Cash, gift certificates, gift cards, etc.
- Reward points
- Reimbursements for an employee gift that the employee selected, paid for, and submitted a receipt
- Disguised remuneration such as a gift or award given as a bonus
- Vendor-provided gifts or awards given directly to employees

Small or trivial value promotional items (less than \$20) are permitted. Examples of small or trivial value items include coffee or tea, T-shirts, mugs or plaques or trophies.

University funds cannot be used for gifts of alcohol.

Awards must be for an employment-related accomplishment but cannot be performance related.

6. Retirement Gifts:

Normally, voluntary contributions or departmental social funds are used to contribute to employee retirements gifts. Retirees will receive acknowledgment and a gift at the University wide event.

7. Long Service Awards:

Non-cash long service awards may be provided once every five years, after a minimum of five years of service. This is coordinated through Human Resources and not paid from Department funding.

8. Prize Draws:

Prizes provided by the University through draws open only to University employees are considered taxable benefits from employment by CRA and the fair value of the prize must be added to the winners' taxable earning, even if the prize has been donated to the University.

4.04.02 Ineligible Expenses: Ineligible expenses include, but are not restricted to:

- Memberships deemed to be personal or social in nature (e.g. Faculty Club, recreational facilities);
- Non-business related or personal expenses;
- Interest charges levied on overdue invoices;
- Meals included in other reimbursable items (e.g. conferences);
- Expenses related to a spouse/partner (where they attend in this capacity) unless pre-authorized and deemed required for official University business;
- Social events deemed personal in nature;
- Political fundraising events;
- Tickets, fines or insurance deductibles;
- Expenditures which would cause the departmental budget, grant or restricted account to exceed the amount available to spend;
- Gifts to staff not described in this policy; and
- Alcohol.

Costs pertaining to research, specific purpose and restricted funds may be incurred only if they are permitted by and are in compliance with the terms and conditions of the funding agreement, award or contract.

4.05 Hospitality Involving External Guests

4.05.01 Types of Expenditures: Normally hospitality involves an external individual (e.g. guest lecturer, prospective faculty, staff or student, benefactor or stakeholder) that supports the educational, research or service activities of the University. Expenses may include, but are not limited to, food, beverages, social or recreational activities and gifts. Alcohol is not a permitted expense. For Hospitality guidelines regarding Elders, please see the Elder

Protocols Policy. The following is an outline of hospitality categories along with examples of allowable expenses:

1. Meals and refreshments for guests, prospective faculty or staff, student events, volunteers or donors:

- Expenses for the prospective faculty or staff and the principal individuals involved in the decision-making process
- Expenses for the University host and individuals invited as guests
- Expenses for volunteer or student recognition events
- Expenses related to donor cultivation, including those for the University host and the current or prospective donor.

2. Entertainment:

The University may participate in events, which provide the opportunity to host and extend entertainment (which may or may not involve the provision for hospitality) to invited guests. Examples of allowable entertainment expenses are:

- Attendance at sporting, cultural and community events.
- Hosting at functions such as special dinners, receptions, performances or other major events being conducted at the University or off-campus.

Participation in entertainment activities should only be arranged where there is a clear benefit to be obtained for the University, such as the facilitation of sponsorship for University activities or as part of fund-raising projects.

The approving officer should be comfortable in publicly disclosing the cost of the hospitality and entertainment provided, should that be required, and be able to identify the benefit to the University.

3. Expenditures related to recruitment of full-time faculty:

- Before inviting potential faculty colleagues from outside of Manitoba, the department shall consider video or telephone conferencing or some other means of pre-screening.
- When flying candidates to Winnipeg for interviews, the least expensive fare should be used.
- The cost per individual for meals and social functions should be reasonable. In general, reasonable costs are defined as consistent with meal allowances provided in the University's per diem allowance for travel per person per meal/function (including taxes, tips, room rental etc.). Expenditures in excess of this threshold must be approved by a Dean, Executive Director or more senior administrator.
- Reasonable tipping amounts should not exceed 15% unless there is a group function with a pre-determined tip rate.
- Costs for alcohol are not a reimbursable expense.
- Faculty and staff are normally expected to pay and claim their own expenditures but in circumstances where this is not practical, hospitality may be paid and claimed by a single employee. Normally "one-over-one" approval must be obtained except where the senior employee passively attends a function without involvement in the arrangements.

Expenditures for a spouse/partner of the guest or a University employee (where they are attending in this capacity) must be necessary for the business purpose and pre-approved by a Dean, Executive Director or more senior administrator.

- Costs pertaining to research, specific purpose and restricted funds may be incurred only if they are permitted by, and in accordance with the terms and conditions of the funding agreement, award or contract.
- Meals and social functions must be supported by:
 - detailed original receipts;
 - a written statement of the purpose of the social function; and
 - a list of attendees and their titles, where practical, the purpose of the meeting or event and/or their affiliation to the University.
- Modest gifts given to external individuals, including students, as a result of the normal exchange between persons affiliated with the mission of the University or doing business together are acceptable provided that ethical and proper business practices are not compromised. Gifts to recognize work for which an individual would normally be paid (via honoraria or a contract for service) are taxable and therefore not allowed. In accordance with Canada Revenue Agency guidelines, cash and near cash (e.g. gift cards) gifts are considered taxable income and therefore should not be used if they would result in additional income over \$500/year. If gift cards are used a Gift Card Reconciliation form shall be filled out and submitted with the visa reconciliation or expense report.

5.0 Relevant Legislation

- Not applicable

6.0 Related Policies, Procedures and Institutional Documents

- Conflict of Interest Policy
- Elder Protocols Policy
- President Expenditures Policy
- Sustainability Policy
- Travel, Hospitality and Business Expenditures Policy
- Travel and Business Expenditures Procedures