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<b>Yolanda Palao, Manager, Financial Services</b>	<b>Vice President, Finance &amp; Chief Financial Officer</b>	<b>March 31, 2021</b>

## Business Expenses Procedure

### Version History

Version	Author	Key Changes
1.0	Various Authors	Original Procedures
2.0	Kevin Greer Yolanda Palao	Updated and combined all business expenses procedures
2.10	Yolanda Palao	Insurance – Car Rentals
2.20	Yolanda Palao	Group Meals to align with Auditor General recommendation

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## 1.0 Purpose

- 1.1 The purpose of this Procedure is to outline the rules, responsibilities, internal controls and processes where employees:
- a) claim reimbursement for business expenses paid out of pocket; and
  - b) want to obtain, and use a Corporate Procurement Card (“CPC”) for business expenditures.

## 2.0 Scope

- 2.1 This *Procedure* applies to:
- a) any business expense that is purchased either by:
    - (i) out of pocket expenses or
    - (ii) a Corporate Procurement Card; and
  - b) all ESA employees, Board Members, Advisory Committee and Appeal Panel members, contractors and consultants (except as modified in section 2.2 and 2.3).
- 2.2 Notwithstanding that the term “employee” has been used throughout this *Procedure*, this *Procedure* shall apply to Board Members, Advisory Committee and Appeal Panel members, contractors and consultants except as otherwise expressly prohibited or modified by section 2.3 of this *Procedure* and the content of ESA’s *Travel, Meals, Hospitality and Related Business Expenses Guideline* (“the Guideline”)
- 2.3 Reimbursement for allowable expenses will only be paid where the contract between ESA and the Consultant or Contractor specifically provides for it. Where the allowable expense in a contract does not state a dollar amount for the item, the Guideline should be used to determine what would be reasonable under the circumstances.
- 2.4 This *Procedure* does not cover processes where payment is made by:
- a) An invoice provided by a Vendor to be paid through Accounts Payable, except when a vendor/contractor is reimbursing for business expenses incurred as approved and provided for in the signed Contract between Vendor and ESA. In this case, expenses being reimbursed are subject to the provisions of this Procedure and should be in accordance with Travel, Meals, Hospitality, and Related Business Expense Guideline; or

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- b) ESA’s Fleet Credit Card for a business expense related to an employee’s assigned ESA Vehicle.

### 3.0 Objective

The objective of this *Procedure* is to ensure:

- Employees understand the rules with respect to what constitutes a reasonable business expense;
- Employees understand the responsibilities with respect to purchasing, approving, processing and reimbursing business expenses; and
- Business expenses are incurred, claimed, and processed in a timely, consistent, accountable, and transparent manner in accordance with the principles of the *Procurement Policy*.

### 4.0 Procedure Content

#### 4.1 General Rules

- 1) Employees shall be accountable for exercising integrity, prudence and judgment in their business expenditures and/or their approval of business expenditures by other employees.
- 2) Employees are not to profit financially from expenses incurred.
- 3) All expense approvals must be in accordance with the Organizational Authority Register (“OAR”).
- 4) Employees cannot approve their own expenses and allowances.
- 5) Employees submitting fraudulent business expense claims will be subject to disciplinary action up to an including termination from employment with ESA.
- 6) Alcohol is prohibited, unless expense is allowed under Travel, Meals, Hospitality and Related Business Expenses Guideline , Hospitality Section 4.10.3.5 and pre-approved in writing by the President & CEO or Chair of the Board.
- 7) Group business expense. The only employees who are able to pay for meals for a group of ESA staff are a Vice-President and/or the President/Chief Executive Officer.
- 8) All business expenses claimed on an Expense Report or through a CPC shall comply with all applicable

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corporate or departmental policies, procedures, and guidelines, including, but not limited to the *Procurement Policy*, the *Procurement Procedure*, the *Travel, Meal, Hospitality and Related Business Expenses Guideline*, the *Policy for Delegation of Authority (including Organizational Authority Register-OAR)*, and the *Code of Conduct*.

- 9) As soon as an employee becomes aware that an expense prohibited under this *Procedure* has been claimed (e.g. either inadvertently submitted on an Expense Report or charged to a CPC), the employee must contact his or her supervisor or administrator immediately in order for the employee to make arrangements to repay the cost of the item (including applicable taxes) within 30 days from the date the charge was made.
- 10) Repeated non-business use of corporate procurement card will be subject to disciplinary action up to and including termination from employment with ESA.
- 11) Where an overpayment of an expense to an Employee is made by ESA, upon discovery, the employee will be required to repay ESA the total amount of the item including applicable taxes immediately.
- 12) To ensure ESA has proper insurance for all rental cars rented by ESA employees, when an employee is renting a vehicle for ESA business, the employee renting the car is responsible to ensure that:
  - a) The name of the renter listed on the rental car agreement is “Electrical Safety Authority”;
  - b) The name of any ESA employee drivers are listed on the rental car agreement;
  - c) The Rental Agency has been informed that the vehicle will be used for ESA business.

Note: Business travel rental agreements in the name of ESA/ESA employee is covered under ESA’s Commercial General Liability – Non-owned autos for liability and physical damage therefore there is no requirement to purchase insurance from the car rental agency.
- 13) Any single purchase of two hundred and fifty dollars (\$250 or greater) on the CPC or through out-of-pocket funds must receive prior approval from the Claimant’s Approver unless it is within the Claimant’s approved level under the OAR. For non-routine purchases, the prior approval must be received prior to the expenditure.
- 14) Where any employee is found in non-compliance with this *Procedure*, including the Appendices, it may lead to disciplinary action up to and including termination of employment.
- 15) New employees, during Human Resources department’s on boarding process, shall receive initial training, and thereafter as required, on ESA’s Procurement Policy, the Business Expenses Procedure, the Travel, Meals, Hospitality and Related Expenses Guideline, and associated procedures and forms. Employees shall execute the *Acknowledgement and Agreement (Appendix J)* after the initial training.

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4.1.1 Expenses considered permissible claims under this *Procedure* using a CPC or Expense Report

- 1) Expenses deemed fair, reasonable, and appropriate under “Travel, Meals, Hospitality and Related Business Expenses Guideline”.
- 2) Toll Charges directly paid by ESA

Guidelines on the use of toll roads are included in the “Travel, Meals, Hospitality and Related Business Expenses Guideline” Section 4.7. Once the toll road charges are deemed appropriate and reasonable according to the guidelines, the following procedure shall be followed:

- a) “Personal Use” of toll roads directly paid by ESA must be reported and paid for monthly by the employee. Payment shall be made within 30 days of the billing date.
  - b) The employee shall complete and sign the declaration form titled “Accountability Form for Personal Use of Toll Road Transponder” (Appendix H) once a year by January 31<sup>st</sup> and submit to the Region or department office for review and safe keeping.
  - c) The Region or department Administrative Staff is required to forward a submission tracking sheet of the Declaration form to Pay Services department by January 31<sup>st</sup> every year.
  - d) The Declaration tracking sheet shall be kept by the Pay Services for audit purposes.
  - e) Detailed procedures on the use of Toll Roads are set out in Appendix G Process for Claiming Toll Road Expenses.
- 3) Business Use of Home Internet
    - a) Where Management agrees there is a business need, and internet access is not feasible and sufficient through other ESA provided equipment and services, ESA will pay for a % of home internet to a maximum reimbursement of \$ 50.00 a month plus taxes. The maximum amount will be reviewed periodically by both Finance and Operations departments.
    - b) Management shall determine who will be reimbursed, and Management and employee shall determine the % of business use subject to the maximum amount, and other requirements set out in the Business Expense Procedure.
    - c) Percentage of business use shall be reviewed by both Management and employee once a year at a minimum or when business use significantly changes during the year, and an annual “Declaration Form for Business Use of Home Internet” (Appendix I) completed by the employee and Management

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stating the % of business use and the amount being reimbursed. This Declaration Form shall be kept in the Pay Services department's employee file.

- d) This reimbursement will not be included in the employee's earnings, hence non-taxable, provided that all requirements set out above are adhered to.
  - e) Exception to the maximum reimbursable amount requires that a business case or rationale be submitted to the Vice President for Approval.
  - f) Reimbursement shall follow the procedures set out in Section 4.4. Responsibilities for Preparation and Processing of Expense Reports.
- 4) A business expense for a professional designation or accreditation fee or a professional association fee is only permissible where the employee meets the criteria for eligibility, receives approval, and follows the process for reimbursement that are all set out in *Appendix "D"*.
  - 5) When a personal vehicle is used for all routine and/or non-routine ESA business travel, the following apply:
    - a) It is recommended that the employee informs his or her insurance company that the personal vehicle will be used for business purposes;
    - b) ESA will assume no financial responsibility related to the employee's vehicle. ESA will however, pay employees the km reimbursement rate that is identified in the Human Resources section of ESA's intranet, which is inclusive of any costs for the vehicle by the employee, including, but not limited to, insurance, gas and repairs;
      - The km reimbursement rate is determined by the Human Resources department on a monthly basis using the Private Transportation Index and as agreed by other Hydro successor companies.
      - For claims greater than 5,000 kms in a calendar year, see "Procedure for Reporting Taxable Benefit Expenses".
    - c) When calculating reimbursement for kms for local travel in accordance with ESA's *Business Expenses Procedure*, employees shall claim the distance from their regular work headquarters to and from the location of the business activity, not the distance between the business activity and their residence unless instructed by Supervisor/Manager to travel directly to/from home and to/from location of business activity ;
    - d) If the employee is on a temporary assignment/temporary work location, the kilometre reimbursement shall be the distance between the temporary work location and the location of

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business activity. It is noted that nothing in this provision affects an additional right under a collective agreement, if one applies, to receive a payroll allowance for travel between the regular work headquarters and temporary work location; and

e) Any exemption must be supported by the provisions of applicable collective agreement.

6) Cash and near Cash Gifts or Awards

Cash and near cash gifts (gift cards) or awards to employees are taxable benefit items and must follow the internal “Procedure for Reporting Taxable Benefit Expenses”. The gift or award has to be for an employment-related accomplishment such as (but not limited to) outstanding service, employees’ suggestions, or meeting/exceeding safety standards.

Options on Gift Cards:

- a) Do not issue gift cards.
- b) If gift cards are issued, “Procedure for Reporting Taxable Benefit Expenses” must be referred to.

4.1.2 Expenses that are **not** permissible claims under this Procedure using a CPC or Expense Report

1) Capital Goods and Services

a) Goods and Services that are capital in nature (eg. computers) are to be purchased through Information Technology department and payment processed through Accounts Payable.

2) Cash advances are not allowed except in rare circumstances such as international travel to areas where it may not be feasible to use the Corporate Procurement Card. If a cash advance is issued, the expense reconciliation must be done through the Expense Reports submission process Section 4.4 of this Procedure.

3) Employees’ safety footwear shall be reimbursed through Pay Services department to monitor limits.

4) Alcohol

a) Alcohol (alone or as part of a travel, hospitality, meal or other business expense), except for Special Hospitality Events (Travel, Meals, Hospitality and Related Expenses Guideline 4.10.3.5) for which prior approval for alcohol has been received from the President & CEO or Chair of the Board in writing.

5) Entertainment

a) In-room movies at a hotel/lodging or other entertainment



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- 6) Family or Other Non-Employee Travel Expenses
- a) Any additional/incremental costs incurred as a result of travelling with a spouse, partner, friend or other non-employee (eg. the additional cost for a king bedroom) or due to extension of business travel into personal travel (eg. deciding to stay an extra day at hotel for personal travel).
- 7) No reimbursement shall be made for meals consumed at home prior to departure or upon return home.
- 8) Other Personal and non-business expenses

#### **4.2 Receipts**

- 4.2.1 For the purpose of this *Procedure*, the term *itemized receipt* is defined in Section 7.0 and a sample is provided in *Appendix "B"*.
- 4.2.2 Employees are responsible for requesting, retaining, and submitting the *itemized receipt*, and tear tag or payment slip showing total paid (including tips/gratuities) for each business expense claimed under an Expense Report or CPC Statement except where:
- a) A credit card receipt provided shows the detailed itemization mentioned above. In this case, such a receipt is deemed sufficient;
- b) The Claim is for reimbursement on an Expense Report for a public transit expense under ten (10) dollars. In this case, no receipt is required
- c) The claim is for the cost of an automated parking meter where no printed receipt is provided by the meter. For parking meters that provide an automated receipt to place in the driver's vehicle, those receipts should accompany a claim for an expense under a CPC or an Expense Report.
- 4.2.3 Where an expense falls under one of the exceptions listed under section 4.2.2 above, the procedures for a Missing Receipt Declaration set out under *Appendix "E"* are not applicable, provided the employee confirms on the Expense Report or the CPC Reconciliation documentation (statement) that a receipt was not available through the meter at the time of purchase.
- 4.2.4 For the following business expenses, clarification as to the obligations to provide an *itemized receipt* is as follows:
- a) **Airfare:** Airfare receipts must include the dollar value for the flight and other expenses on the receipt, as well as the breakdown of the different taxes charged. Boarding passes are not considered a receipt at all; and

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- b) **Hotel/Lodging:** Hotel/Lodging invoices need *itemized receipt* that includes all meals, and in-room charges being charged to ESA. If the total cost of a meal is included on a lodging receipt, the itemized receipt for the actual meal is still also required to be submitted with the lodging invoice.

4.2.5 Employees must write the following on each *itemized receipt*:

- a) On the front or *back* of the receipt, add the following:

- (i) If the expense listed involves other participants (employees or non-employees such as customers), the names (or group ) of all the participants;
- (ii) If a personal or non-business expense such as alcohol becomes embedded in the *itemized receipt*, the item and the cost being deducted from the claimed item (including applicable taxes); and
- (iii) The reason for the business expense.

4.2.6 Where an *itemized receipt* is lost, the Employee and Approver are responsible for complying with the necessary administrative requirements, and the consultation/review process set out in *Appendix "E."*

4.2.7 Expenses in foreign currency must be converted to CAD equivalent when claiming reimbursement. The exchange rate to be used is the actual rate on the day the expense is incurred; this rate is shown on the employee's personal credit card statement (if it was used) or through the Bank of Canada website.

### **4.3 Corporate Procurement Card Program**

#### 4.3.1 Objective of the CPC Program

The objective of the CPC Program is to provide an efficient, and cost-effective procurement and payment process for low value, routine, and high frequency goods and services.

#### 4.3.2 Procurement Card Eligibility

1. An employee shall not be permitted to submit a CPC application until the Approver holding at least one administrative position higher than the employee confirms that the employee meets the following criteria and has approval to submit a CPC application:

- 1. The employee must routinely incur business expenditures in the performance of his or her ESA job duties;

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2. The approval of a CPC application would be economically beneficial to ESA because the costs associated with the infrequent occurrences made by the employee would be reduced if the employee had a CPC;
  3. The employee must have no previous record of abuse on a CPC at ESA; and
  4. Any risks and costs of the employee paying expenses with a CPC must have been considered, and deemed by the Approver to be justifiable under the circumstances.
2. Individuals under contract for services to ESA are not eligible for an ESA Corporate Procurement except in rare circumstances (eg. for ESA risk management activities) and as approved by the Vice President Corporate Services & Chief Financial Officer.
  3. The Approver must summarize the reasons that the Applicant meets the above criteria in writing on the Application Form.
  4. No person at ESA can approve his or her own CPC Application regardless of the position he or she holds at ESA.

#### 4.3.3 Responsibilities for Processing Corporate Procurement Card Statements

##### (i) Employee/Cardholder's Responsibilities

Employee/cardholders shall:

1. Use the CPC only for business expenses in accordance with ESA policies, procedures, and guidelines.
2. Safeguard the CPC and account number at all times. (Where an employee chooses to allow another person to process a charge on the employee's CPC on the employee cardholder's behalf, that decision does not diminish the fact that the employee cardholder remains responsible for that charge, and must take all necessary steps to ensure the security of the card and transaction.)
3. Notify the Program Administrator/Finance of any changes to the information contained within the employee cardholder's CPC application.
4. Review his or her Corporate Procurement Card Statement ("CPC Statement") monthly in accordance with reconciliations process set out in *Appendix "C."*
5. Submit the CPC statement (in accordance with reconciliations process in Appendix C) to Manager/Supervisor for approval within 30 days following the statement date. Failure

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to submit within 30 days may result in the loss of CPC privileges.

6. Notify the Financial Institution and the Program Administrator/Finance immediately if a CPC is lost, stolen, or defective.
7. Return the CPC to the Approver or Human Resources prior to commencement of a leave of absence or termination or retirement from ESA.

(ii) Administrative Staff

Administrative Staff shall:

1. Ensure that all CPC statements and itemized receipts and applicable tear tags are submitted 30 days following the statement date.
2. Review all CPC Statements and attached *itemized receipts* and, if applicable, Missing Receipt Declaration, to ensure it complies with all obligations under this *Procedure* and other related policies and procedures, and once confirmed it is complete, send it to the Approver for review.
3. Where the Regional Coordinator is responsible for retaining the files at the Regional Office, a spreadsheet which tracks all of the approved CPC statement submissions must be submitted to Finance on a quarterly basis, and statements and receipts are retained for seven (7) years.
4. Advise Program Administrator/Finance when an employee is taking a leave of absence, is terminated, or is retiring so Finance can ensure timely termination of CPC in accordance with *Appendix "C"*.

(iii) Approver's Responsibilities

Approvers shall:

1. Ensure applicable policies, procedures and guidelines governing expenses (including the potential personal tax consequences of claiming an expense which is not a true business expense), CPC, and Expense Reports are reviewed **annually** with their direct reports.
2. Ensure that all CPC statements and itemized receipts and applicable tear tags are submitted 30 days following the statement date.

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3. Review CPC Statements and attached itemized receipts and ensure they comply with obligations set out for employees in the Reconciliation Process detailed in *Appendix "C"*.
4. Sign and date the CPC Statement confirming the fact that it has been reviewed and approved, and then send materials to Finance or Regional staff for processing and safe keeping.
5. Ensure that all procedures set out in *Appendix "C"* are followed where a change to the particular of, or the status of, an employee's CPC must occur (e.g. termination of employment).

(iv) Finance/Corporate Procurement Card Program Administrator's Responsibilities

Finance/Corporate Procurement Card Program Administrator shall:

1. Ensure CPC Applications and change requests are completed accurately in accordance with *Appendix "C"*;
2. Maintain copies of approved CPC Applications, the associated Schedule A, and any Change Requests as long as the CPC is active;
3. Monitor CPC usage through monthly reports as provided by the Financial Institution and Finance; follow up and point out any misuse to the appropriate organizational authority;
4. Review the Termination Summary received from Human Resources on a monthly basis to confirm whether any of those names are still on the Financial Institution website as persons with an active CPC. If an active CPC is identified, communicate with the respective Region to determine if the employee still requires a CPC, and if not, close the account.
5. Ensure appropriate allocation of costs;
6. Ensure any journal required to transfer costs incurred on a CPC are processed;
7. Ensure that periodic CPC reviews/audits are completed in accordance with section 4.6 of this *Procedure* to ensure employee compliance with this *Procedure*.

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#### 4.4 Responsibilities for Preparation and Processing of Expense Reports

(i) Employee’s Responsibilities

Employees requesting reimbursement of expenses must submit an Expense Report in accordance with the following requirements:

1. Frequency of Expense Report Submissions

Employees shall submit Expense Reports on a monthly basis or more frequently where the amount is significant.

Expense Reports totalling less than \$100 are exempted from this timetable, and may be accumulated for later submission on a quarterly basis.

All Expense Reports must be claimed each year by the fiscal year end of March 31st except with discretion of a senior manager.

2. Completing the Expense Report

Employees shall complete the entire Expense Report (up-to-date version is available electronically in the ESA Intranet “Finance” section in accordance with the instructions set out in *Appendix “A”*).

3. Signing the Expense Report

Employees must include a signature and the date the Expense Report was signed, confirming that the employee certifies that the Expense Report is true and correct on the particulars.

Acceptable signatures include: original signature, electronic signature, email signature or authorization.

A “stamped” signature is not acceptable.

4. Attaching Itemized Receipts to Expense Report

Employees must attach *itemized receipts and payment slip* that meet the requirements set out in section 4.2 of this Procedure. Where an itemized receipt is missing, the process set out in *Appendix “E”* shall be followed.

5. Where one lump sum monthly mileage charges is claimed, itemized travel log shall be submitted with the claim.

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6. Submitting the Completed Expense Report

Once the Expense Report has been completed, the employee shall provide the signed Expense Report with the attached corresponding *itemized receipts* to the Administrative Staff for review.

(ii) Administrative Staff Responsibilities

Applicability: This section (4.6.1(ii)) is not applicable to employees working out of the Provincial Office. Those employees shall forward their completed Expense Reports directly to the Approver as per section 4.6.1(iii) of this Procedure below.

Upon receipt of an Expense Report from an employee working out of a Regional Office, the Administrative Staff (and for the few positions where there is no Administrative Staff, the Approver) shall:

1. Review all Expense Reports before they are sent to the Approver for review and signature.
2. Ensure Expense Report complies with all obligations under *Appendix "A"*.
3. Once approved, the Administrative Staff (or Approver where applicable) must fully complete the reference section of the Expense Report (bottom left corner) print his or her full name and then sign the form.
4. Retain records in accordance with section 4.5 of this *Procedure*.

(iii) Approver's Responsibilities

Staff having authority and those that were delegated temporary signing authority, under the OAR to approve employee Expense Reports are required to:

1. Ensure applicable policies, procedures and guidelines governing expenses (including the potential personal tax consequences of claiming an expense which is not a true business expense), CPC, and Expense Reports are reviewed annually with direct reports.
2. Ensure all direct reports have submitted all expense claims by the end of the fiscal year in which the expenses were incurred.
3. Review all Expense Reports prepared by direct reports (which have been checked by

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the Administrative Staff or Finance) and ensure that before the materials are sent to Finance for processing that:

- (a) The business expenses claimed are consistent with ESA policies, procedures, guidelines, and applicable collective agreements. Where appropriate, the need for an expense should be confirmed with team leads or other staff;
- (b) Employees have completed the Expense Report accurately in accordance with all the requirements set out in *Appendix "A"*; and
- (c) If an employee makes a claim for an expense without attaching an *itemized receipt* as required in *Appendix "A"* and section 4.2 of this *Procedure*, the Approver must ensure that that the process for Missing Receipt Declarations set out in *Appendix "E"* has been complied with.

4. Acceptable signatures include: original signature, electronic signature, email signature or approval. A "stamped" signature is not acceptable.

(iv) Finance

Upon receipt of a completed Expense Report from an Approver, Finance shall:

1. Review the Expense Report for completeness, accuracy of coding, the necessary authorization/signatures, and that proper *itemized receipts* are included.
2. For properly completed Expense Reports:
  - a) Record the payment number and input date on the Expense Report; and
  - b) Provide an Expense Report cheque monthly at a minimum.
3. For improperly completed Expense Reports, either:
  - a) Revise the Expense Report if the error is less than a ten (\$10) dollars and send an e-mail to the Administrative Staff (or Approver where no Administrative Staff) confirming adjustment; or
  - b) If the Expense Report is not properly prepared, authorized or supported with proper documentation, or the error found is more than ten (\$10) dollars, return the Expense Report to the Administrative Staff (or Approver where no Administrative Staff) for revisions before resubmission.



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4. Retain Expense Reports records as required under Section 4.5 of this *Procedure*.
5. Maintain an approved Expense Report Form and make it available to employees in electronic format via the “Finance” section on ESA’s intranet.
6. Carry out reviews and/or audits of Expense Reports and supporting *itemized receipts* and documents in accordance with section 4.6 of this *Procedure*.

#### **4.5 Records**

- 4.5.1 All copies of the CPC Statements with their *itemized receipts* and Missing Receipt Declarations (See *Appendix “F”*) shall be retained on file for seven (7) years as documentation for the Canada Revenue Agency (HST refunds) by the Administrative Staff (for employees of each region), or by Finance (for employees working out of the Provincial office).
- 4.5.2 All copies of the Expense Reports with their *itemized receipts* and Missing Receipt Declarations (See *Appendix “F”*) shall be retained on file by Finance for seven (7) years as documentation for the Canada Revenue Agency (HST refunds).
- 4.5.3 Where the Regional Coordinator is responsible for retaining the files at the Regional Office, a spread sheet which tracks all of the approved CPC Statements submissions must be submitted to Finance on a quarterly basis, and retained on file for seven years. These documents and the corresponding files are subject to review and/or in accordance with section 4.6 of this *Procedure*.

#### **4.6 Auditing and Reviewing of CPC Statements and Expense Reports**

##### 4.6.1 Internal ESA Audits

1. Finance will complete audit, or other review processes on a periodic basis as deemed appropriate to ensure that:
  - a) Expense Reports and reconciliation of CPC Statements have been completed in accordance with this Procedure (including relevant Appendices);
  - b) No personal, non-business, or other prohibited expenses were claimed (eg. alcohol);
  - c) Proper *itemized receipts* and payment slip were provided for all business expenses with the necessary information required under section 4.2 written on the front or back of the receipt; and
  - d) All applicable taxes have been charged correctly.
2. The findings of audits and reviews will be reported to the Vice President, Corporate Services & Chief

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Financial Officer.

#### 4.6.2 Government Audits including Canada Revenue Agency (“CRA”)

1. All Expenses Reports are subject to audit or review by external auditors, including the Canada Revenue Agency (“CRA”).
2. Claims by employees for travel and other business-related expenses are maybe subject to examination and independent findings by Government Auditors.

## 5.0 Legislative Authority

Income Tax Act - Canada Revenue Agency

## 6.0 Evaluation, Monitoring and Review

- 6.1 The Finance Department is responsible for monitoring compliance with this *Procedure*.
- 6.2 ESA’s VP, Corporate Service & Chief Financial Officer will regularly review and monitor this *Procedure* to ensure that it remains current, relevant, and effective in meeting its purpose and objectives.

## 7.0 Interpretation

For purposes of this *Procedure*, unless otherwise stated, the following definitions shall apply:

<u>Term</u>	<u>Definition</u>
Administrative Staff	The Territory Officer Supervisor (T.O.S.) or Inspection Support Representative (I.S.R.) (or Approver when a TOS or ISR does not exist in the Region) who is responsible for checking an employee’s Expense Report or reconcile CPC Statement before being forwarded to the Approver for review, approval, and signature.
Approver	Refers to any person who is in the same chain of command as the employee incurring and claiming the particular business expense(s), and who has the authority to approve the particular business expense(s).
CPC	Corporate Procurement Card (CPC) is a credit card issued to an employee of ESA by ESA for the purpose of making authorized

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purchases on ESA's behalf in accordance with the *Business Expense Procedure*.

Finance

Finance Department at Provincial Office at ESA.

Itemized Receipt

A document from the Vendor, specifying the Vendor's name and itemizing the goods and/or services received, the cost per unit of each good and/or service, the transaction date, and the Vendor's HST Registration Number. Note: A "tear tag" showing the total charge is not considered an itemized receipt. (See sample at *Appendix "B"*).

Personal Use

1. Travel between home and work headquarters or regular place of employment;
2. Travel outside employee's designated regular place of employment with the exception of travel for ESA business reason such as a meeting;
3. After work hours driving to conduct personal activities;
4. Weekend personal trips;
5. Vacation trips;
6. Any driving for purposes not related to employment with ESA.

Program Administrator

The ESA employee in Finance responsible for the CPC Program

## 8.0 Associated Policies and Procedures

Code of Conduct

Procurement Policy

Procurement Procedure

Travel, Meals, Hospitality and Related Business Expenses Guideline

Procedure for Reporting Taxable Benefit Expenses

Vehicles Supplies to ESA Personnel

Policy for Delegation & Exercise of Authority (including Organizational Authority Register-OAR)

## 9.0 Associated References

Administrative Agreement

Expense Report Form

ESA Corporate Procurement Card Employee Application Form

Corporate Procurement Cardholder Terms and Conditions: Schedule "A"

ESA Corporate Procurement Card Agreement : Schedule "B"

ESA Corporate Procurement Card Change Form