

Section:	Finance (FN)
Subject:	Expenses, Travel, and Employee Gifts
Legislation:	<i>Income Tax Act (R.S.C. 1985, c.1 (5th Supp.)); Freedom of Information and Protection of Privacy Act (RSA 2000, cF-25).</i>
Effective:	November 1, 2007
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APPROVED: _____
President and CEO

POLICY

The policy of the Board of Governors is to pay expenses necessarily incurred by employees and Board members in the performance of their employment or Board duties.

PROCEDURE

DEFINITIONS

Approver	A member of the SAIT community who has the authority to approve a claimant’s eligible expenses.
Claimant	A member of the SAIT community who incurs expenses and who seeks to be reimbursed for those expenses.
Employee	A person employed on SAIT’s payroll, whether paid by annual salary or hourly wage.
Reasonable	Considered moderate and sensible in the circumstances and is defensible to an impartial observer.
SAIT business purpose	The promotion and achievement of SAIT’s goals and objectives.
SAIT community	SAIT’s governors, employees, contractors, consultants and agents.

GOVERNING PRINCIPLES

1. This procedure provides a framework of accountability for the effective oversight of SAIT resources in the payment of and the reimbursement for travel and other expenses.

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2. Claimants and approvers are governed by the following principles:
 - a) SAIT's funds are to be used prudently and responsibly, and with a focus on accountability and transparency.
 - b) Expenses must support activities that have a SAIT business purpose.
 - c) Expenses must be reasonable, necessary and economical with due regard for cost, duration, practicality, health, safety and security.
 - d) Expenses claimed must be expenses that have been actually incurred.
 - e) Prior approval to incur expenses must be obtained where appropriate.
 - f) Claims must be:
 - i) Able to withstand the scrutiny of internal auditors, external auditors and members of the public.
 - ii) Explained and documented.
 - iii) Reasonable and appropriate.
 - iv) Compliant with this procedure.
3. An expense or a portion of an expense shall not be claimed or approved more than once or by multiple processes.
4. Expenses incurred by one member of the SAIT community on behalf of another must be attributed to the individual for whom those expenses were incurred.
5. When individuals from the same school/department share an expense, they should each pay for their own expense if they all have their own P-cards. In situations where they do not all have their own P-cards, the most senior individual pays for the entire expense.
6. This procedure applies regardless of how an expense has been paid for or is being reimbursed.
7. A claim should normally be submitted within 30 business days after the occasion giving rise to the claim.
8. Expenses arising from a misinterpretation of procedure or from a mistake are not necessarily eligible for reimbursement. The Finance Department will provide advice and recommendations to the approver when such situations occur.
9. Expenses arising from non-compliance with this procedure and/or related procedures are not eligible for reimbursement.

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10. Expenses relating to hosting events are covered in procedure [FN.11.1.3 Hosting Expenses](#).
11. Finance is responsible for administering and supporting compliance with this procedure, with school/department approvers ultimately accountable to this procedure.

PROCEDURE

A. Supporting Documentation

1. All expenses require sufficient and appropriate supporting documentation for approval and audit purposes. This documentation includes:
 - a) A receipt where possible, subject to the exceptions in paragraph D.3 of this procedure, and which provides:
 - i) Name of the vendor.
 - ii) Date of purchase.
 - iii) Description of goods or services received.
 - iv) Amount of the expense.
 - v) Method of payment.
 - b) Information that clearly explains the “who, what, when, where, and why” of the expense.
 - c) In the case of foreign exchange amounts, a copy of the card statement or a printout from the Bank of Canada website supporting the exchange rate applied.
2. A debit or credit card receipt is not sufficient supporting documentation on its own.
3. For all expenses other than those described in paragraph D.3 of this procedure, an authorized missing receipt form must be submitted if a receipt cannot be supplied.

B. Approval

1. An expense must be authorized in order to be considered eligible for reimbursement.
2. Authority for approvals is determined by the signing authorities set out in procedure [FN.12.1.1 Signing Authority – Revenue Generating, Expenditure and Other Agreements/Contracts](#).
3. The approver is responsible for:

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- a) Determining when expenses are necessary.
 - b) Ensuring travel arrangements best meet the needs of both SAIT and the traveling member of the SAIT community.
 - c) Documenting the approver's rationale for approval decisions where the approver has exercised discretion.
4. Preapprovals for travel and/or professional development are at the discretion of the school/department incurring the expense.

C. Methods of Payment

1. The preferred and first choice method of payment should be a direct payment to the vendor. Reimbursement should only be made in situations where a direct method of payment cannot be made.
2. Direct methods of payment include:
 - a) SAIT credit card.
 - b) Purchasing requisition system.
3. Reimbursement methods of payment include:
 - a) Petty cash may be used for eligible expenses in accordance with procedure [FN.11.1.5 Petty Cash](#).
 - b) Advances:
 - i) Travel advances are not normally permitted. If needed a temporary SAIT credit card can be provided by Finance. If the SAIT credit card is not accepted by the vendor, then a request for travel advance must be approved by the employee's supervisor. Supporting documentation and repayment of unused funds must be submitted to Accounts Payable within 10 business days of the completion of travel.
 - ii) Finance has the right to suspend privileges for failure to comply with the above requirements.

D. Travel Expenses

1. Travel for SAIT business purposes is governed by the following principles:
 - a) Travel is not permitted to a destination which has an "avoid all travel" or "avoid non-essential travel" advisory, as per the Canadian government's travel advisory
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website two business days before the scheduled departure date unless approved by executive management.

- b) It is the traveler's responsibility to be informed about risks when travelling and to take appropriate precautions to avoid unnecessary risks and dangers.
 - c) If personal travel is combined with travel for SAIT business, only the portion of expenses related to a SAIT business purpose is an eligible expense.
2. Reasonable and necessary costs incurred as a result of an emergency, illness, injury or death can be claimed as an expense when the costs are:
 - a) Additional to costs normally incurred when not travelling.
 - b) Not payable under an insurance policy or other authority.
 3. The following incidental expenses for overnight travel are considered eligible for reimbursement without a receipt:
 - a) Gratuities (excluding meals).
 - b) Personal phone calls, within reason.
 - c) Coin laundry after four consecutive nights of travel.
 4. Air Travel
 - a) Air travel to destinations outside of Canada must be booked through SAIT's central travel provider. Employees are encouraged to book air travel to destinations within Canada through SAIT's central travel provider but may also book these directly with a service provider.
 - b) Air flights must be booked based on the most direct reasonable route for business purposes.
 - c) The maximum eligible expense for air travel is economy class, except as provided in the following paragraph.
 - d) Business class airfare will only be approved if it has been authorized by the divisional vice president, the president and CEO, or the chair of SAIT's Board of Governors, as applicable, in situations where travel is outside of Canada or the United States, unless specified in an employment agreement. Business class travel must be approved in advance of the travel and evidence of pre-approval.
 5. Transportation by Third Party Vehicle or Ride Share
 - a) For trips requiring use of a rental vehicle, SAIT recommends bookings be made through SAIT's approved rental agencies. For information on approved rental

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agencies, see <https://saitnow.ca/everyday-at-sait/sait-business-travel/>. For bookings that must be made through a non-approved rental agency, contact the insurance coordinator, Finance department. Refer to procedure [FN.17.1.1 SAIT Vehicles and Rental Vehicles](#) for more information.

- b) A claimant may claim the expense of
 - i) Hiring or renting third party vehicles, including rental, insurance, and gas.
 - ii) Hiring a taxi or ride sharing service. The expense of hiring a town car, limousine or similar vehicle may only be claimed if there is a valid SAIT business purpose for that hire or the cost is comparable to hiring a taxi or ride share service.
 - iii) Renting a vehicle if the size and type of the vehicle is appropriate for the number of passengers, road conditions, and nature of the need. A mid-sized vehicle is the standard class of rental vehicle. In-car navigation systems and electronic toll payment are reimbursable expenses, but expenses for all other convenience options are not reimbursable.

6. Transportation by the Claimant's Vehicle

- a) An approver may authorize a vehicle kilometer reimbursement at the rate stated in Appendix B on the National Joint Council's website <http://www.njc-cnm.gc.ca/s3/en> if a claimant uses the claimant's own vehicle to travel. This rate includes the cost of:
 - i) Fluids and lubricants.
 - ii) Fuel.
 - iii) Registration and insurance.
 - iv) Wear and tear on the vehicle.
 - v) Any other costs associated with operating a motor vehicle.
- b) The distance travelled must be calculated based on the most direct route.
- c) The distance travelled is recorded using the Travel Log form available on SAITNow, as part of the Canadian Expense claim form.
- d) A claimant cannot be reimbursed for travel expenses between the claimant's residence and the employee's office or primary place of work on regular days of business.

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7. Other Modes of Transportation

- a) The cost for other necessary modes of transportation can be claimed as an expense.
- b) The claimant may claim the lesser of:
 - i) The actual expense of the transportation; or
 - ii) The equivalent expense of the most direct, practical and cost-effective route and mode of transportation.

8. The following other expenses may be claimed when traveling for SAIT business purposes:

- a) Conference and seminar registration fees.
- b) Parking expenses.
- c) Long distance charges for personal phone calls, within reason.
- d) Office service charges such as charges for photocopies, faxes, internet, etc.
- e) Bottled water.
- f) Travel visas, passports, passport renewal fees and other travel documents.
- g) Vaccinations, inoculations and certificates of health.
- h) Reasonable luggage fees.
- i) Airline seat selection fees (only one allowable seat change).
- j) Trip cancellation insurance fees.
- k) Travel change fees.
- l) Books, materials and supplies required for work duties.
- m) Coin laundry incurred after four consecutive nights of travel.
- n) Parks Canada pass – limited to the duration of the event or activity.

E. Meal Expenses

1. Meal expenses are eligible for reimbursement when the claimant is away from the SAIT campus and incurs the meal expense for a SAIT business purpose.

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2. Meal expenses include the cost of food and beverages as shown on the receipt, plus gratuity, subject to the following:
 - a) The maximum eligible amount for the cost of individual meals is the rate stated in Appendix C on the National Joint Council's website <http://www.njc-cnm.gc.ca/s3/en>. Entitlement to each meal is determined by the time of day that the travel occurs.
 - b) A gratuity should not exceed 18%, unless the meal provider has included a standard rate due to group size or business policy.
3. A claimant may not claim a meal expense if a meal is provided to the claimant at no cost, except in situations where the claimant declines that meal because of a demonstrated dietary restriction.
4. Supporting documentation for a meal expense claim must include:
 - a) An itemized receipt for the meal, including a meal charged to a hotel bill.
 - b) A list of attendees' names on the receipt.
 - c) The credit card receipt, for meals where the gratuity has been added to the credit card receipt.
 - d) Meal expense claims for SAIT Trojan teams may state the team name and the number of athletes in attendance. Non-athlete attendees must be listed. A roster list for the team must be available upon request.

F. Accommodation Expenses

1. Accommodation may be booked either through SAIT's central travel provider or directly with the service provider. Employees cannot book accommodation through share services such as but not limited to VRBO and Airbnb for safety reasons, unless they have obtained pre-approval and evidence of that pre-approval must be attached to the claim submitted to Finance.
2. A claimant travelling for a SAIT business purpose who requires overnight accommodation away from the claimant's residence may claim the actual expense of accommodation.
3. Accommodation should be selected for reasonable rates, practicality, and business need.

G. Employee Gifts, Awards, and Rewards

1. SAIT may provide gifts, awards and rewards to employees for recognition as follows:

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- a) Cash and Near-Cash: Where gifts or awards of cash or near-cash (including gift certificates or gift cards) are issued to employees, they must be reported to Employee Services and may be a taxable benefit to the employees.
- b) Non-Cash: The total fair market value of all non-cash gifts or awards (for example, books, clothing, gift baskets, etc.) must not exceed \$500 in a calendar year in order to be received tax-free. Should an employee receive in excess of \$500 in non-cash gifts or awards in a calendar year, all gifts received must be reported to Employee Services at employee.questions@sait.ca, and the amount in excess of \$500 will be a taxable benefit to the employee.
- c) Contests, draws, and prizes:
 - i) Employee Contests: A contest in which only employees of SAIT are eligible to enter is considered a benefit of employment, and any prizes won are subject to being a taxable benefit. Cash or near-cash prizes, or non-cash prizes in excess of \$500 must be reported to Employee Services.
 - ii) Open Contests: Notwithstanding paragraphs G.1(a) and (b), a prize in a contest which is open more broadly than just to SAIT employees (for example, open to students, contractors, alumni, or community members) will be considered a windfall and will not be taxable in the hands of the winner.
- d) Long service programs: Employee Services operates programs to reward employees for long service to SAIT. Through Employee Services administered programs or otherwise, employees may receive gifts valued at a total of no more than \$500, in intervals no more frequently than five years. Gifts may be given in addition to those offered through Employee Services administered programs, so long as the limits on value and frequency are not exceeded.
- e) Events for employees:
 - i) Social Events: where the primary purpose of the event is social, the cost will not be a taxable benefit for participants, so long as it does not exceed \$150 per participant. Where the cost exceeds \$150 per participant, the total event costs and participant list must be provided to Employee Services, and the costs will be a taxable benefit to participating employees.
 - ii) Business Hospitality: where the primary purpose of the event is business-related (including education, planning, or networking), the cost will not be a taxable benefit for participants.

H. Other Expenses

1. A claimant may claim the expense of professional memberships where appropriate for the performance of the claimant's job.

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2. Care for a family member Is an eligible expense when:
 - a) SAIT requires the employee:
 - i) To travel outside of their normal working hours and the employee incurs family care expenses as a direct result of such travel. Only expenses that are additional to expenses the employee would incur when not travelling are eligible, or
 - ii) To attend meetings or events as part of their work duties on days which are not normal working days, and they incur family care expenses as a direct result of attending such meetings or events. Such expenses must be approved by an Authorized Approver before the employee incurs the expense;
 - b) The expenses are paid to a third party who is not the employee's partner or relative;
 - c) The family member is considered a dependent as defined under section 118(6) of the Canada *Income Tax Act*; and
 - d) The expense is documented by receipts that:
 - i) Are from third party caregivers;
 - ii) Contain the caregiver's name, address and phone number;
 - iii) Set out the amount paid; and
 - iv) Include proof of payment.

H. Expenses Not Eligible for Reimbursement

1. Alcohol expenses are not eligible for reimbursement, except as specified in procedure [FN.11.1.3 Hosting Expenses](#).
2. Other expenses not eligible for reimbursement include but are not limited to those set out in Schedule A, an Associated Document to this procedure.

I. Non-Compliance

1. SAIT is not responsible for the payment or reimbursement of an expense resulting from non-compliance with this procedure and/or related procedures.
2. If SAIT pays for an expense that is subsequently determined to be non-compliant with this procedure and/or related procedures:

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- a) The individual who incurred the expense must repay it to SAIT in a timely manner.
- b) The individual's failure to comply with the preceding paragraph will result in Finance referring the matter to the individual's supervisor.
3. Finance will notify the appropriate signing authorities of patterns of non-compliance by claimants and/or approvers.
4. A persistent pattern of non-compliance may result in suspension or cancellation of privileges, discipline, or termination of employment, as per procedure [HR.4.4.1 Corrective Action Procedures](#).

J. Exceptions

1. Circumstances may occur that are not addressed in this procedure and that require an exception to the procedure.
2. An exception to this procedure must be documented and formally approved by the applicable vice president or president and CEO. The documentation required to support the exception is a full written disclosure of the exception, which must accompany the expense claim. This disclosure must set out:
 - a) The exception that is requested.
 - b) A reasonable explanation why this exception to the procedure is required.
 - c) Confirmation that the exception aligns with this procedure's Governing Principles.
 - d) All risks that the exception creates and how those risks will be mitigated and managed.
3. The applicable vice president or President and CEO must approve the requested exception. If approval is not obtained, the expense claim will be denied.

K. Public Disclosure of Travel and Hospitality Expenses

1. SAIT is committed to transparency and accountability around the use of funds, and will routinely publish the travel and hospitality expenses incurred by Board members, SAIT's president and CEO, and SAIT's vice presidents in the course of their duties. Costs incurred by an individual on behalf of a school/department or business unit and/or costs that have been reimbursed by a third party will not be disclosed.
2. The public disclosure of travel and hospitality expenses will include:

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- a) Name and position of the individual who incurred the expense;
 - b) Date of the expense or event;
 - c) Transaction amount; and
 - d) Description of the expense of event.
3. Information that would normally be withheld in the case of an access request pursuant to the *Freedom of Information and Protection of Privacy Act* (FOIP) will be redacted prior to posting the expenses.
 4. These travel and hospitality expenses will be published on sait.ca on a quarterly basis. They will generally be published by the 30th business day after the quarter during which the event occurred or was completed, and only after these expenses have been processed, reconciled, checked for compliance and approved. They will remain posted on sait.ca for a minimum of three years.

ASSOCIATED DOCUMENTS

Schedule A Expenses Not Eligible for Reimbursement

POLICY/PROCEDURE REFERENCE

FN.11.1 Expenses policy
FN.11.1.3 Hosting Expenses procedure
FN.11.1.5 Petty Cash procedure

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