

**POLICY NUMBER: CO.02.023.0.11**

**POLICY TYPE: CORPORATE (Finance)**

**SUBJECT: HOSPITALITY POLICY**

**POLICY:** The Hôpital Glengarry Memorial Hospital (HGMH) is committed to meeting all leading practices, guidelines and the Broader Public Sector (BPS) Expenses Directive (Directive) for the administration of expenses in publicly funded institutions.

This policy sets out the acceptable limits and the procedure for expense reimbursement for staff and Board members extending hospitality on behalf of the hospital and for staff and Board members accepting hospitality on behalf of the hospital.

***Acceptable Limits on Staff and Board Directors Offering Hospitality***

Reimbursable hospitality expenses must:

- demonstrate a reasonable ratio of staff and Board Directors to persons who are not engaged in work for the Hospital; and
- be extended in an economical, consistent and appropriate way when it will facilitate Hospital business or is considered desirable as a matter of courtesy.

The CEO:

- must pre-approve in writing any exceptions to the above;
- must pre-approve in writing the attendance of vendors (current or prospective) to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor; and
- must pre-approve in writing if alcohol is being offered as part of the hospitality (e.g., served with food).

**Note:** In circumstances where alcohol is approved, appropriate measures must be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event, usually a meal or reception.

***Acceptable Limits on Accepting Hospitality***

- The Hospital must avoid the appearance of impropriety or favouritism when accepting hospitality from vendors (current or prospective).

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References: Hospital Expense Policy Guidelines, March 2010, Ontario Hospital Association  
Broader Public Sector Expenses Directive, Management Board of Cabinet, 1 April 2011  
Procurement of Goods and Services Policy, CO.01.039.x.xx  
General Expense Statement / Guide for Staff and Board Directors, #51-A-201-xx  
Mileage Statement, 51-A-11-xx

Approved by: BOARD OF DIRECTORS,

Effective Date: 1 April 2011

Reviewed:

Revised

- Staff attendance on behalf of the Hospital at third party events, including but not limited to sporting events, entertainment, dinners or speaking engagements, must not violate the Corporate “Procurement of Goods and Services Policy” (CO.01.039.x.xx), nor should such attendance appear to violate those obligations.
- For guidance on these matters, speak with your manager.

## **DEFINITIONS**

**Hospitality** — For the purposes of the BPS Expense Directive and this Policy, hospitality is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:

- designated BPS organizations (i.e. those covered by the BPS Expenses Directive), or
- any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive.

Functions involving only those people in the organizations listed above are not considered hospitality functions and cannot be reimbursed. This means that hospitality may never be offered solely for the benefit of anyone covered by this directive, or by the OPS Travel, Meal and Hospitality Expenses Directive. Examples would be: office social events, retirement parties and holiday lunches.

**Consultants/Contractors** — Persons providing services to the Corporation on an independent contractor basis, and who are not employees of the Corporation. For greater clarity, consultants are not to be considered "staff"; that term is defined below.

**Managerial Discretion** – For the purposes of the BPS Expenses Directive and this Policy, managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with this directive and the rules. All decisions made under the expense rules should be taken very carefully.

When exercising managerial discretion, the rules on documentation should be followed so the rationale will be included in the claim file. Approvers are accountable for their decisions, which should be:

- subject to good judgment and knowledge of the situation;
- exercised in appropriate circumstances; and
- comply with the principles and mandatory requirements set out in the BPS Expenses Directive and this Policy.

When a situation arises and discretion needs to be exercised, approvers should consider whether the request is:

- able to stand up to scrutiny by the auditors and members of the public
- properly explained and documented
- fair and equitable
- reasonable
- appropriate

It is the responsibility of both the approver and the claimant to work out appropriate arrangements which would meet the test of being fair and equitable.

**PROCEDURE:**

**1. Provision of hospitality:**

- a) Hospitality expenses should only be reimbursable if a reasonable ratio of staff to persons who are not engaged in work for the hospital is demonstrable.
- b) Hospitality should be extended in an economical, consistent, and appropriate way when it will facilitate hospital business or is considered desirable as a matter of courtesy.
- c) Functions that are exceptions to the above must have prior approval of the CEO or the CEO's delegate.
- d) Where hospitality events are extended by the hospital, and where the guests include vendors (current or prospective), managers are responsible for obtaining prior approval to ensure that the event does not give, or is not perceived to give, preferential treatment to any vendor.

**2. Hospitality may be extended on behalf of the hospital when:**

- a) Engaging representatives of other hospitals, the government, the broader public sector, industry, public interest groups, or union representatives in discussion on hospital matters;
- b) Sponsoring formal conferences for representatives of health service provider organizations, or for government, business, or labour groups;
- c) Providing persons from national or international organizations and charitable organizations with an understanding and appreciation of the hospital sector or the workings of the organization;
- d) Honouring distinguished persons from the health care sector in recognition of exceptional public service; and
- e) Conducting prestigious ceremonies that are attended by government, and/or distinguished persons from the private or public sector.

**3. Provision of alcohol**

- a) The decision to provide alcohol as part of hospitality should be made by the CEO or the CEO's delegate and should be consistent with the principles of the General Expense Policy (CO.02.022.x.xx).
- b) In circumstances where alcohol is approved, appropriate measures should be taken to ensure a reasonable limit is placed on the quantity and cost of alcohol to be provided in advance of the event.



- c) Providing alcohol should be limited to meals and receptions and limited to a reasonable quantity.