



DIRECTIVE FI-003

TRAVEL AND HOSPITALITY EXPENDITURES

1.0 OVERVIEW

- 1.1 The Great Lakes Pilotage Authority (the Authority) recognizes that the Government of Canada has Directives on Travelling and Hospitality and Treasury Board of Canada practices. The Authority has prepared this Travel and Hospitality Directive with the above in mind but has decided that these Directives do not fit perfectly with the activities of this Crown Corporation operating in a commercial environment.
- 1.2 This Directive is in line with the National Joint Council's *Travel Directive*, the Treasury Board of Canada Secretariat's *Directive on Travel, Hospitality, Conference and Event Expenditures*, Appendix C and Appendix B of the Treasury Board's Travel Directive for meal allowance rates and vehicle kilometric rates, respectively. All other amounts reimbursed are set in this Directive.

2.0 PRINCIPLES

- 2.1 The following principles were developed by the Board in respect of the Federal Government's travel and hospitality directives. These principles are the cornerstone for the management of Authority travel and shall guide all employees, managers and Board members in achieving fair, reasonable and modern travel practices.
- 2.2 **Flexibility** - create an environment where management decisions respect the duty to accommodate, best respond to employee needs and interests, and consider operational requirements in the determination of travel arrangements.
- 2.3 **Modern travel practices** – introduce travel management practices that support the principles and are in keeping with travel industry trends and realities; develop and implement an appropriate travel accountability framework and structure.
- 2.4 **Respect** - create a sensitive, supportive travel environment and processes that respect employee needs.
- 2.5 **Transparency** - ensure the consistent, fair and equitable application of the policy and its practices.
- 2.6 **Trust** - increase the amount of discretion and latitude for employees and managers to act in a fair and reasonable manner.

- 2.7 **Value people** - recognize employees in a professional manner while supporting employees, their health and safety in the travel context.

3.0 PURPOSE

- 3.1 The purpose of this directive is to ensure fair treatment of employees required to travel on Authority business consistent with the principles above. The provisions contained in this directive are mandatory and provide for the reimbursement of reasonable expenses necessarily incurred while travelling on Authority business and to ensure employees are not out of pocket. These provisions do not constitute income or other compensation that would open the way for personal gain.
- 3.2 In addition, the directive ensures that the travel, hospitality, conferences and event expenditures are managed with prudence and probity and represents the most economic and efficient use of funds given the nature of the activity in relation to the achievement of the Authority's core mandate of providing safe and efficient marine pilotage services.

4.0 APPLICATION

- 4.1 This directive applies to all employees, officers and members of the Board of Directors of the Authority, travelling on Authority business, including training. It does not apply to those persons whose travel is governed by other authorities or for certain traveling related expenditures found in certain Authority Collective Agreements with pilots and Public Service Alliance of Canada (PSAC) employees.

PART I - ADMINISTRATION

5.0 AUTHORIZATION

- 5.1 The Authority has the responsibility to authorize and determine when Authority travel is necessary, and to ensure that all travel arrangements are consistent with the provisions of this directive. Following consultation between the Authority and the employee, the determination of travel arrangements shall best accommodate the employee's needs and interests and the Authority's operational requirements.
- 5.2 Authority travel shall be authorized in advance (oral or written) to ensure that all travel arrangements are in compliance with the provisions of this directive. In special circumstances, travel shall be post authorized by the Authority.
- 5.3 Pilot travel costs associated with the performance of their pilotage services do not require separate pre-approval given its integral part of the approved annual operating budget.
- 5.4 As part of the Board's approval of the annual budget, the travel budget for each department is considered the pre-approval for travel relating to management's

regular responsibilities to conducting business in terms of the oversight of the pilotage operations as well as consultation with customer and industry stakeholders. Management travel outside of the Great Lakes region as well as travel for attending conferences, third party training, and special events requires pre-approval from the immediate supervisor.

- 5.5 Expenses resulting from misinterpretations or mistakes are not a basis for reimbursement or non-reimbursement. However, such situations shall be reviewed on a case-by-case basis.

6.0 LOYALTY PROGRAMS

- 6.1 Provided that there are no additional costs to the Authority, employees travelling on Authority business can join loyalty programs and retain benefits offered by the travel industry for business or personal use.

7.0 OVERPAYMENTS

- 7.1 Overpayments, namely amounts reimbursed or paid to employees, which are not in accordance with the terms of this directive, shall be recovered from the employee, as a debt owing to the Authority.

8.0 RECEIPTS

- 8.1 A receipt is an original document or carbon copy from the vendor showing the date and amount of expenditure paid by the traveler.
- 8.2 A detailed receipt listing all items purchased must accompany each expense claim.
- 8.3 Where the traveler certifies that the detailed receipt was lost, accidentally destroyed or unobtainable, a personal declaration may replace the receipt. This personal declaration is to be on an exceptional basis and not the norm.

9.0 RESPONSIBILITIES

9.1 The Board of Directors are responsible for:

- 9.1.1 Approving the Authority's total annual budgets for travel, hospitality and conferences.
- 9.1.2 Ensuring that there are effective Authority oversight and control mechanisms in place so that:
 - a) There is an assessment at the planning stage of recurring events or activities to validate continued relevance, value for money, and the efficient and economical use of resources;

- b) Individual proposals for travel, hospitality and conferences are reasonable and appropriate and decisions support Authority objectives and priorities; and
- c) Expenditures with respect to the annual Authority budgets for travel, hospitality and conferences are periodically reviewed during the year, and managers with financial authorities have access to timely reporting to support effective monitoring and fiscally prudent decisions.

9.2 The Chief Executive Officer (CEO) is responsible for:

- 9.2.1 Ensuring that effective oversight and control mechanisms are in place (i.e. means to avoid or minimize travel, hospitality, conference and event costs have been considered, hospitality proposals are reasonable and appropriate and support the Authority's mandate, periodical review of expenditures.
- 9.2.2 Disclosing the total annual expenditures for each travel, hospitality and conference fees on its website with a brief description of the main variances from the previous year's actual expenditures. – in line with the Annual Report disclosure.

9.3 The Chief Financial Officer (CFO) is responsible for:

- 9.3.1 Supporting the CEO in monitoring and reporting processes to meet the requirements of this directive.
- 9.3.2 Ensuring the proper communication and adherence of the travel, hospitality, conferences and events to all employees.

9.4 Employees and Board Members are responsible for:

- (a) being familiar with the provisions of this directive;
- (b) consulting and obtaining authorization including blanket travel authority, where applicable, to travel in accordance with the directive;
- (c) informing the Authority or its suppliers of his/her needs that may require accommodation;
- (d) completing and submitting travel expense claims with necessary supporting documentation as soon as possible after the completion of the travel. In travel situations exceeding one month, the traveler may submit interim travel expense claims prior to the completion of the travel; and
- (e) being responsible for cancelling reservations as required, safeguarding travel advances and funds provided, and making outstanding remittances promptly.

(f) being responsible for exercising rigorous management of hospitality, including measures to reduce, minimize and/or avoid costs. They must ensure that the decision to offer hospitality has been carefully considered and demonstrates its necessity based on courtesy, diplomacy or protocol as well as for the effective conduct of Authority business.

9.5 When the Authority and the employee are unable to resolve barriers affecting persons with disabilities that may flow from the application of this directive, the Authority and the employee shall consult with the appropriate departmental and/or union employment equity professional.

9.6 Travel Expense Claim forms must be completed and approved as follows:

EMPLOYEE	APPROVER
Office and Accounting Staff	Chief Financial Officer
Senior Management Staff	Chief Executive Officer
Dispatchers	Operations Manager
Operations Manager and Analyst	Director of Operations
Pilots	Operations Manager
Chief Executive Officer	Audit Committee
Board Members	Chief Financial Officer
Board Chair	Audit Committee

Note – The above approvers are also responsible to compare the actual travel and hospitality costs to the pre-approved costs. By approving the expense claim, the approvers also approve costs exceeding the pre-approved amount.

9.7 Hospitality must be approved by the Chair when:

a) Total hospitality that exceed \$10,000 per single event; or
b) Alcoholic beverages will be provided with associated costs that exceed \$200; or
c) Food and beverage costs exceed the Standard Cost per person; or
d) Entertainment will be provided with associated costs that exceed \$200; or
e) Hospitality or entertainment will be provided to the non-public servant accompanying the event participant with associated costs that exceed \$200; or
f) Hospitality will be extended at the residence of an Authority employee or Board Member with associated costs that exceed \$200.

9.8 Hospitality must be approved by the CEO as follows:

a) Total hospitality up to \$10,000; or
b) Alcoholic beverages will be provided with associated costs up to \$200; or
c) Entertainment will be provided with associated costs up to \$200; or

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| d) Hospitality or entertainment will be provided to the non-public servant accompanying the event participant with associated costs up to \$200; or |
| e) Hospitality will be extended at the residence of an Authority employee or Board Member with associated costs up to \$200. |

9.9 The Chair may delegate his or her food and beverage approval authorization for amounts exceeding the standard cost per person to the Audit Committee Chair, or the CEO.

9.10 Conferences and events must be approved by the Chair when:

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| a) Total conference or event associated costs exceed \$50,000 per single event. |
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9.11 Conferences and events must be approved by either the CEO as follows:

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| a) Total hospitality, conferences or event associated costs up to \$50,000. |
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10.0 SUPPLIERS, SERVICES AND PRODUCTS

10.1 Employees and Board member travel shall utilize government-approved suppliers, services and products selected in support of Authority travel when these are available and deemed appropriate.

10.2 Preference shall be given to using Canadian suppliers, services and products.

10.3 When the circumstances do not permit provision of prepaid arrangements, the traveler shall be reimbursed actual and reasonable costs, based upon receipts.

11.0 TRAVEL ADVANCES

11.1 Employees on Authority travel shall be provided with a travel advance to cover travel expenses where Authority approved services and products are not prepaid.

12.0 TRAVEL FORMS

12.1 Authority-approved travel forms shall be used in seeking Authority travel authority and submitting travel claims with the supporting documentation.

PART II - TRAVEL

The provisions outlined apply when a traveler is away from the workplace on Authority travel overnight.

A daily comprehensive allowance may be authorized in circumstances where established allowances are not practical, reasonable, or equitable.

13.0 ACCOMMODATION

- 13.1 The standard for accommodation is a single room, in a safe environment, conveniently located and comfortably equipped.
- 13.2 A variety of options for accommodation are available for travel. Generally, these include hotels, motels, corporate residences, apartments, private non-commercial accommodation, and government and institutional accommodation.
- 13.3 Accommodations above the city limit rate must be justified as to its cost-effectiveness or because exceptional circumstances warrant it.
- 13.3 Unless authorized by the employer, when the travel is related to activities held in a designated facility with accommodations, the employee shall stay in the same facility.
- 13.4 Although travelers generally stay in commercial accommodation, private non-commercial accommodation is encouraged. A traveler who chooses private non-commercial accommodation shall be reimbursed the rate as specified in Appendix C of the *National Joint Council's* Travel Directive.

14.0 ADDITIONAL BUSINESS EXPENSES

- 14.1 The employee shall be reimbursed for business expenses not otherwise covered such as business calls, photocopies, word-processing service, faxes, internet connections, rental and transportation of necessary office equipment and transportation of required personal effects.
- 14.2 Employees whose schedules have been altered for reasons outside their control shall be reimbursed for reasonable telephone costs to attend to situations related to the employee's altered schedule.
- 14.3 Where required, the employer shall make the necessary arrangements for obtaining entry documents as determined by the department, and/or an appropriate passport and photos, and/or visa as determined by Foreign Affairs and International Trade Canada, and any required inoculations, vaccinations, X-rays and certificates of health, at no expense to the employee.
- 14.4 The employee shall also be reimbursed for service charges/fees for actual and reasonable expenses for financial transactions such as, but not limited to:
 - Automated bank machine use;
 - Credit/debit card use;

- Financial institution foreign currency transaction commissions;

15.0 CURRENCY EXCHANGE

- 15.1 The costs incurred to convert reasonable sums to foreign currencies and/or reconvert any unused balance to Canadian currency shall be reimbursed, based upon receipts, from all transactions and sources.
- 15.2 When these costs are not supported by receipts, the monthly average closing rate of the Bank of Canada currency exchange rate plus a 3.75% shall apply.

16.0 DEPENDANT CARE

- 16.1 A management employee who is required to travel on Authority business over and above his or her regular duties shall be reimbursed actual and reasonable dependant-care expenses up to a daily maximum of \$35 Canadian, per household, with a declaration, or up to a daily maximum of \$75 Canadian, per household, with a receipt when the employee is the sole caregiver of a dependant who is under 18 years of age or has a mental or physical disability; or
- 16.2 The dependant-care allowance shall apply only for expenses that are incurred as a result of travelling and are additional to expenses the employee would incur when not travelling.

17.0 INCIDENTAL EXPENSE ALLOWANCE

- 17.1 A traveler who is required to travel on Authority business overnight shall be paid an incidental expense allowance that covers a number of miscellaneous expenses not otherwise provided for in this directive for each day or part day in travel status as per Appendix C or D of the *National Joint Council's* Travel Directive.

18.0 MEALS

- 18.1 A traveler shall be paid the applicable meal allowance for each breakfast, lunch and dinner while on travel status.
- 18.2 Meal allowances shall be reimbursed in accordance with the rates specified in Appendix C of the *National Joint Council's* Travel Directive.
- 18.3 A meal allowance shall not be paid to a traveler with respect to a meal that is provided as part of the hotel accommodations or as part of an event. In situations where a traveler has incurred out of pocket expenses to supplement meals provided, the actual incurred costs may be reimbursed, based on receipts, up to the applicable meal allowance.

- 18.4 Where a traveler incurs meal costs that are higher than the established meal allowances, the actual and reasonable expenses incurred shall be reimbursed, based on receipts.
- 18.5 The Board Chair, Board members, the CEO and senior managers have discretion over meals in excess of the per diems, based on actual receipts. This discretion should be exercised with prudence and probity, mindful that all costs must further the Authority's objectives as these individuals are accountable and must be prepared to justify their expenses. Actual meal costs shall not include alcohol.
- 18.6 An employee who works two (2) hours or more of overtime immediately following his or her regular scheduled hours shall be reimbursed for one (1) meal when supported by a detailed receipt, up to the daily maximum.

19.0 TRANSPORTATION

- 19.1 The selection of the mode of transportation shall be based on cost, duration, convenience, safety and practicality. In addition to provisions outlined below under (19.2) Commercial, (19.3) Other modes of transportation and (19.4) Vehicles, expenses associated with the selected mode of transportation shall be reimbursed based on receipts, indicating the expense currency

19.2 COMMERCIAL

- 19.2.1 Where commercial transportation is authorized and used, the employee shall be provided with the necessary prepaid tickets whenever possible.
- 19.2.2 The standard for air travel is economy class. The lowest available airfares appropriate to particular itineraries shall be sought and bookings shall be made as far in advance as possible.
- 19.2.3 Business class air travel for Board Chair, Board members, the CEO, and senior managers shall be authorized for trips of 850 air kilometers or more one way.
- 19.2.4 Seat selection and a single checked bag costs will be reimbursed as it is considered as inclusive to air travel. A traveler shall be reimbursed for excess luggage if the Authority determines that it is necessary for the effects or equipment.
- 19.2.5 The standard for rail travel is the next highest class after the full economy class.
- 19.2.6 As a general rule, all airplane reservations should be coordinated by the Executive Assistant and charged on the Authority's credit card.
- 19.2.7 Taxis, shuttles and local transportation services are alternatives for short local trips. Actual expenses, including gratuities, shall be reimbursed. Original receipts

from the taxi, shuttle or other location transportation services are required to support the fee, unless the cost is \$15 or less.

19.3 OTHER MODES OF TRANSPORTATION

19.3.1 Occasionally, other modes of transportation not normally used on roadways shall be authorized for use on Authority travel when these modes of transportation are safe, economical and practical.

19.3.2 Travelers using these other modes of transportation shall be reimbursed at the applicable kilometric rate based on the direct road distances, if available. When there are no road distances, the traveler shall be reimbursed for actual or reasonable distances travelled.

19.3.3 When a traveler has an aversion to air travel, the Authority shall permit the traveler to travel by other means and shall schedule the work accordingly.

19.4 VEHICLES

19.4.1 The standard for rental vehicles is mid-size. Rental vehicles beyond the standard shall be authorized based upon factors such as, but not limited to, safety, the needs of the traveler and the bulk or weight of goods transported.

19.4.2 The kilometric rates payable for the use of privately owned vehicles driven on authorized Authority travel are prescribed in Appendix B of the *Treasury Board's Travel Directive*. Travelers shall use the most direct, safe and practical road routes and shall claim only for distances necessarily driven on government travel.

19.4.3 Travelers who are driven to or picked up from a public carrier terminal shall be reimbursed the kilometric rate based on the distance to and from the public carrier terminal for each round trip.

19.4.4 Parking charges shall be reimbursed where it is practical and economical to leave a private vehicle at the public carrier's terminal during the period of absence.

19.4.5 For every day on which an employee is authorized to use a private vehicle on authority travel, the employee shall be reimbursed the actual costs of parking the vehicle for that period of time.

20.0 WEEKEND TRAVEL

20.1 Should the employee's business travels end just prior to the weekend, the employee is authorized to remaining at the location and make travel arrangements any time during the weekend as long as there are no additional costs associated to the delayed departure to the Authority (i.e. not a higher cost to fly on the Sunday

vs. on Friday after a meeting). The Authority will not reimburse additional accommodations nor meals.

- 20.2 As an alternative to weekend travel home by the employee, a spouse or a dependent may be authorized to travel to the employee's assigned work location when there is no additional cost to the Authority. The airfare and pertinent travel arrangements shall be processed through the Authority. Ground transportation to and from the public carrier shall be reimbursed. Insurance coverage for the spouse/dependent is the responsibility of the employee.

21.0 NON-PUBLIC SERVANT TRAVEL EXPENSES

- 21.1 Travel extended to non-public servants must be restricted to situations where their presence enhances the conduct of the function because the protocol or facilitates the achievement of the Authority's business and is subject to pre-approval, unless specified in an approved contract.
- 21.2 The Chair approval is required for non-public servant travel to accompany a Board Member or the CEO.
- 21.3 The CEO approval is required for non-public servant travel to accompany management and employees.
- 21.4 The Audit Committee approval is required for non-public servant travel to accompany the Board Chair.
- 21.5 In addition to all travel, theatre tickets and tours for a non-public servant may be paid only when the appropriate approval has been obtained.
- 21.6 Spousal travel for Authority business is not authorized. Employees and Board members will not be reimbursed for any travel costs associated with spousal travel.

PART III – EMERGENCIES, ILLNESSES, INJURIES AND DEATH WHILE IN TRAVEL STATUS

22.0 DEATH WHILE IN TRAVEL STATUS

- 22.1 If an employee dies while in travel status, the Authority shall authorize the payment of necessary expenses that are additional to those which might have been incurred had the death occurred in the employee's home base. Reimbursement of costs incurred shall be reduced by any amount payable under some other authority.

Expenses payable are:

- 22.1.1 At the place where death occurred: ambulance, hearse, and/or other transportation to deliver the remains to his/her own town, embalming/cremation and any other services or items required by local health laws; and
- 22.1.2 The cost of an escort over and above the costs included in transporting the remains only when an escort is required by law.
- 22.1.3 When the remains are not transported, travel of the next-of-kin or a representative of the family to the place of burial shall be reimbursed as though that person were an employee.

23.0 EMERGENCIES, ILLNESSES AND INJURIES WHILE IN TRAVEL STATUS

- 23.1 Payment for the use of a suitable conveyance, such as ambulance or taxi, shall be authorized where an employee becomes ill or is injured when, in the opinion of the Authority, the employee, or attending medical practitioner, the nature of the illness or injury requires that the employee be transported to a medical treatment facility, the workplace, the travel-related accommodation, or home.
- 23.2 An employee shall be reimbursed the necessary expenses incurred as a result of illness or accident occurring while in travel status, to the extent that the Authority is satisfied the expenses were additional to those which might have been incurred had the employee not been absent from home, and which are not otherwise payable to the employee under an insurance policy, the *Government Employees Compensation Act*, or other authority.
- 23.3 An employee may be authorized to return earlier than scheduled as a result of personal illness or accident, or in the event of emergency situations at home (e.g. serious illness in the opinion of a physician, fire, flood, ice storm).

PART IV – HOSPITALITY, CONFERENCES AND EVENT EXPENDITURES

24.0 PLANNING

- 24.1 Prudent planning is essential. Travel is to be avoided where cost efficient alternatives are appropriate and available. Virtual presence, teleconference, videoconference and other remote meeting solutions are to be considered for every travel situation, and if not used, the reason is to be documented in the travel authorization justification.
- 24.2 The following justifications for travel, hospitality, conference and event expenditures must be identified and form part of the travel authorization:

24.2.1 Travel is required in support of the direct delivery of the Authority's core mandate or legislative or legal requirements.

24.2.2 Travel is necessary to engage key stakeholders in relation to policy, program or regulatory development or renewal of other matters that support the Authority's ongoing working relationship or operations.

24.2.3 Travel is necessary to support sound internal governance, including management, Board and Board Committee meetings, or is necessary for the recruitment or hiring of employees.

24.2.4 Travel to enable the training of employees to meet assigned duties of their positions.

24.3. The number of travelers is to be limited to the minimum necessary to deliver the Authority's business.

24.4. The most economical means is to be selected given the nature of the trip when booking transportation, accommodations and meeting facilities.

25.0 HOSPITALITY LIMITATIONS OR EXCLUSIONS

25.1 The provision of food and beverages is acceptable in accordance with the following standard cost per person:

HOSPITALITY – STANDARD COST PER PERSON		MAXIMUM COST PER PERSON
Breakfast	1.50 times Breakfast Allowance	1.50 times the Standard Cost per person
Refreshments	0.50 times Breakfast Allowance	
Lunch	2.00 times Lunch Allowance	
Reception	2.00 times Breakfast Allowance	
Dinner	1.75 times Dinner Allowance	

25.2 A cost per person exceeding the Standard Cost per person must be justified by the type of event, the status and nature of participants and for reasons of courtesy.

25.3 Planned costs exceeding the Standard Cost per person must be approved pursuant to Section 9.7.

25.4 The standard for hospitality is the provision of non-alcoholic beverages. The provision of alcoholic beverages is permitted where it is a matter of courtesy,

diplomacy or protocol involving non-Authority participants. Alcoholic beverages will not be provided as hospitality at events involving only Authority personnel, Board members or other federal public servants.

- 25.5 In situations where the Chair is required to travel or participate in the hospitality event, the approval rests with the CEO or CFO.
- 25.6 When an Authority employee or Board Member is the recipient of hospitality, he or she is responsible for ensuring he or she does not seek reimbursement for meals or refreshments as part of a travel claim or other expense claim where such meals or refreshments have been provided as hospitality.

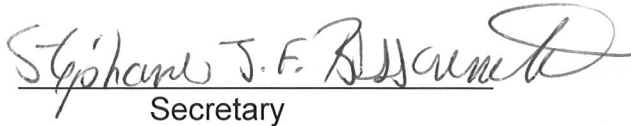
26.0 CONFERENCES

- 26.1 Conferences are defined as events that often provide unique opportunities for exchange, debates or discussion of specialized or professional information, including establishing and maintaining relationships necessary for the conduct of the Authority's business or the delivery of its core mandate. Conferences tend to be organized by external organizations and participants are charged fees to attend.

27.0 EVENTS

- 27.1 Events include business meetings, corporate management meetings, conferences as well as any formal gathering of Authority employees and non-Authority personnel invited to participate in these activities, including prestigious ceremonies, awards and recognition ceremonies, and that support the business activities and governance of the Authority.
- 27.2 Training activities are considered events for this directive, with the exception of the following:
 - a) formalized programs approved and delivered by Authority staff to ensure that staff are qualified to perform their assigned duties;
 - b) formalized programs of instruction to ensure that staff are qualified to perform their assigned duties and delivered by a third party such as universities or colleges; or
 - c) formalized programs of instruction or accreditation approved by a professional body as recognized by a federal or provincial statute and delivered by organizations certified by the professional body, including for the purpose of acquiring or maintaining those accreditations required by staff as part of their duties.
- 27.3 Events that are considered as operational activities and all training are not to be considered as an event requiring event approval.

Approved by the Members of
the Authority on May 27, 1975


Secretary

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