

THUNDER BAY REGIONAL RESEARCH INSTITUTE STATEMENT of POLICY and PROCEDURE			
Manual:	Finance and Accounting	SPP No.	FN 2.04
Section:	Purchasing Cycle	First Issued:	Sept. 26/14
Subject:	EXPENSES	Effective:	Sept. 26/14
Issue to:	All Manual Holders	Page:	1 of 5
		Replaces:	Feb. 28/14
Issued by:	Chief Operating Officer	Approved:	May 1, 2016

1 POLICY

- 1.01 Expenses incurred should be consistent with TBRRI's policy which embodies regulations, grant guidelines, general economy and effectiveness. Expense Advances may be provided when the nature and approximate amount of the expense is approved beforehand. The Institute does not support the use of Expense Accounts or Allowances. Individuals who are in any doubt as to the appropriateness of a specific expense should consult with their Manager for guidance.

2 PURPOSE

- 2.01 The purpose of this Statement of Policy and Procedure is to provide guidance to individuals who incur expenses in the course of their work with or for TBRRI.

3 SCOPE

- 3.01 This policy applies to all individuals incurring and/or endorsing expenses for grants and/or a TBRRI company expense. This policy may also be used in situations where a prospective employee or other non-employee has incurred an expense on behalf of the Institute.

4 RESPONSIBILITY

- 4.01 Managers are responsible for:
- Ensuring that expense advances are limited and that wherever possible, purchases are made on an invoiced basis, and
 - Authorizing expense advances and expenditures.
- 4.02 The Finance Department is responsible for:
- Confirming that appropriate authorization has been obtained for any expense, and
 - Producing cheques on a timely basis when properly authorized.

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5 DEFINITIONS

- 5.01 **“Cheque Requisition”** means a form requesting that a cheque be prepared to pay for an Institute approved expense.
- 5.02 **“From pocket expenses”** means a purchase on behalf of the Institute made from the employee’s own funds.
- 5.03 **“Expense advance”** means money or a cheque provided to an employee in anticipation of a pre-approved Institute expense.
- 5.04 **“Expense allowance”** means a general amount of funds made available to an employee in anticipation of as yet unknown expenditures on behalf of the Institute. Expense allowances should not be allowed.
- 5.05 **“Employee”** is anyone working with or for the Institute who has been authorized to incur expenses on behalf of the Institute by his/her Manager – this may include students.
- 5.06 **“Manager”** is the individual who has the ability to authorize expenditures and has control over a functional centre(s) and/or signing authority. Where the individual’s direct Supervisor is not also the signing Manager, as defined herein, then approval from both are required.

6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

- SPP FN 2.01 — Expense Authorization
SPP FN 2.05 — Travel and Hospitality

7 PROCEDURES

7.01 From Pocket Expenses

- (a) When an employee makes a purchase on behalf of the Institute from the employee’s own funds, original receipts should be retained and submitted

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along with a cheque requisition for reimbursement purposes. Normal threshold amounts and authorization procedures should be followed, see SPP FN 2.01 – Expense Authorization.

- (b) An employee must receive approval, in writing, by their Manager prior to incurring the expense.

7.02 **Expense Advances**

- (a) When an employee is required to spend a large amount of money in the execution of their duties, an expense advance may be provided.
- (b) The advance must be approved by the Manager in accordance with the Expense Authorization policy.
- (c) Accounting will produce a cheque payable to the employee in the amount of the advance.
- (d) The employee must keep a receipt(s) of these expenses and submit a statement of expenses along with the receipt(s) for the approval of his/her Manager.
- (e) Any difference between the amount advanced and the amount of approved expenses shall be reimbursed by the Institute (in the case of expenses greater than the advance), or by the employee (in the case of an advance greater than the expenses), by cash or personal cheque at the time the expenses are submitted.

7.03 **Expense Allowances**

- (a) Expense allowances are not permitted.
- (b) The Institute only reimburses actual expenses that are properly authorized and documented and that otherwise conform to the required policies.

7.04 **Hospitality**

- (a) The Institute will not reimburse the employee for hospitality or entertainment expenses unless otherwise approved in writing beforehand by the Chief Executive Officer. See Policy FN 2.05 Travel and Hospitality for applicable details.

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7.05 Travel

- (a) The process and policy for travel and related expenses are outlined in: Policy FN 2.05 Travel and Hospitality.
- (b) Claims cannot be approved by the person submitting the expense report, but must be approved by a person at the next highest level of authority.

7.06 General Provisions

- (c) Any expense that has been occurred without receiving the proper authorization will be the responsibility of the claimer.
- (d) All expenses have to be substantiated as appropriate and include: purpose, original detailed receipts, and proof of payment.
- (e) Any expense that has been submitted for reimbursement without the proper documentation or identification will be denied and the costs will be the responsibility of the claimer.
- (f) Non-eligible expenses will be the responsibility of the employee, which include, but are not limited to:
 - i. Alcoholic beverages;
 - ii. Costs of transporting the employee from home;
 - iii. Parking charges not directly related to work activities;
 - iv. Personal items;
 - v. Any charges incurred due to violations, i.e. parking tickets, etc.
- (f) Management reserves the right to refuse any expense not specifically identified in this policy.

7.07 Expenses Covered by Grants

- (a) Generally, granting agencies allow reasonable claims for expenses as long as:
 - i. The expenses are related to the work outlined in the grant;
 - ii. The expenses are related to research conferences relevant to the project;
 - iii. The hospitality costs are for networking purposes between grantee and guest researchers;

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- iv. The expenses are for research-related activities that would contribute to the achievement of the research objectives.
- (b) Note, Section 7.06 of this policy also applies to expenses incurred as part of research grants or research contracts. In all cases, the grant or research contract must be reviewed in conjunction with this policy to ensure that all eligible and ineligible expenditures have been identified and understood prior to incurring the costs.
- (c) Granting agencies may have their own special requirements or list of ineligible expenses. The person who was awarded the grant must have knowledge of, and adhere to, the guidelines for funding as set out by that agency.

8 ATTACHMENTS

None.