

BOARD OF GOVERNORS MANUAL

Policy Covering: Hospitality		
Effective Date: March 22, 2016	Category: Board Policy	Policy # 213
Board Approved: March 22, 2016	Supersedes Policy #/Dated: 213/February 19, 2013	Page 1 of 2
Issued By: Board Chair		

Policy:

It is the policy of the Board of Governors of Hanover and District Hospital to provide a clear process for expenses incurred for hospitality expenses.

Purpose and Scope:

This policy is to ensure hospitality expenses incurred on hospital related business are incurred in an appropriate and reasonable manner consistent with the BPS (Broader Public Sector) Expenses Directive. This Directive, issued under the provincial “*Broader Public Sector Accountability Act, 2010*” requires that all hospitals maintain certain levels of accountability and transparency in the oversight and administration of their expenditures. While not providing detailed prescribed procedures, this Directive requires that hospitals follow certain principles and practices in the execution of hospital business transactions.

“Hospitality” expenses include the provision of food, beverage, accommodation, transportation or other amenities paid out of Hospital funds when the event involves people from outside the Hospital. The Hanover & District Hospital recognizes that hospitality events will be cases where the number of external attendees outnumbers the hospital employees, credentialed staff, volunteers, and board governors.

Functions involving only hospital employees, credentialed staff, volunteers and board governors are not considered hospitality functions. Refer to Administration Policy #317 on Internal Meetings and Staff Events for these allowable expenses.

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. The decision to provide alcohol as part of hospitality will be made by the CEO or CEO’s delegate. Acceptance of hospitality to specific employees from vendors (current and prospective) constitutes a conflict of interest and is prohibited.

Principles:

Accountability: As a public institution, the Hospital is accountable for effective and efficient stewardship of its resources and for ensuring that these resources are deployed or leveraged in a responsible manner in support of its operations and spending of public funds.

Appropriateness: The Hospital recognizes that hospitality expenses, where the primary purpose relates to the business of the Hospital, may, on occasion, be incurred in carrying out its administrative, recruitment, teaching, research and service activities. For most departments, these expenses are expected to be minimal. In all cases expenses must be reasonable.

Examples include:

1. Hosting at a restaurant (including while traveling);
2. Flowers for funerals, illness;
3. Gifts for visitors, e.g. for someone visiting the Hospital or to someone when visiting another Hospital. Gifts should be tokens of appreciation of modest value; and
4. Volunteer or student appreciation or recognition.

Scope: Hospitality expenses could include the provision of food, beverages, social and recreational activities for the purpose of hosting hospital guests, prospective and current staff, students, benefactors, volunteers or stakeholders. The number of visitors being hosted and the number of hospital employees attending should be kept to a minimum number appropriate to the purpose of the event.

Responsibilities: It is the responsibility of the approver, to ensure the appropriateness and reasonableness of the expenditures being charged.

Non-Compliance: Non-Compliance with this Policy will result in the adjustment of any claim to an amount defensible under this Policy or in case of insufficient supporting documentation, rejection (non-processing) of the claim/expense reimbursement.

Major Categories of Hospitality:

Hospitality related to the provision of food, beverage, accommodation, transportation or other amenities for meetings, recruitment, teaching, research and service activities can cover a variety of situations. In the charging of Hospitality expenses the Principles noted above must apply.

Alcohol must be used in moderation and be served and consumed in a responsible manner in accordance with both Hospital polices and provincial rules for the consumption of alcohol.

Process of Approval:

All incidences of Hospitality will have prior approval of the CEO or CEO delegate. A hospitality form (Form A-86) must be completed and signed by the CEO or delegate.

Alcohol may be charged to the hospital under certain circumstances. Prior approval must be obtained by the CEO (Form A-86). Its use must be consistent with this policy. Form A86 must be attached to any invoices/receipts.