



Policy Cover Page

Document Title	Employee Expense Claim and Reimbursement Policy
Document Number	C-FM-100-AA
Description	The attached policy was established to provide guidance and direction to employees, who incur expenses while conducting business on behalf of TSSA and describes eligible expenses considered reimbursable business expenses by TSSA, and addresses expenses not considered reimbursable.
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1. Purpose

The purpose of the Employee Expense Claim and Reimbursement Policy (hereafter referred to as “the Policy”) is to set out the rules and principles for the reimbursement of expenses while conducting business on behalf of the Technical Standards and Safety Authority (TSSA). This Policy provides an overall framework predicated on accountability, transparency and integrity supporting TSSA's value- for-money principle.

2. Scope

The Policy applies to employees making an expense claim. The Policy specifically covers meals, accommodation, hospitality, and travel expenses. Any classes of expenses that are not expressly permitted under the Policy or under other TSSA policies may not be reimbursed, unless it falls within an approved non-compliance as described herein.

3. Accountability

The CFO is accountable for the Employee Expense Claim and Reimbursement Policy. All TSSA employees that knowingly or negligently submit or approve expense claims containing false or misleading information may be subject to disciplinary action. All employees must recognize the importance of complying with this policy, including the possible reputational implications that may result from misperceptions of eligible expenses.

4. Policy

TSSA is committed to its core principle of value-for-money and recognizing industry best practices in the overall management of expenses. The key principles applied in developing the policy are as follows:

- Expenses incurred support TSSA business objectives and are reflective of TSSA's core values.
- The guidelines for incurring and reimbursing expenses are clear and easily understood.
- Plans for travel, meals, accommodation, hospitality and other acceptable expenses are necessary and consider lower cost options with due regard for health and safety.
- Legitimate authorized expenses incurred during the regular course of business are reimbursed.



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Best practices – all expenses incurred reflect best practices where practical, including but not limited to:

- You cannot approve your own expenses;
- Prior approval, where practical, is obtained to incur an expense;
- Expense(s) to be paid by the most senior TSSA employee present;
- The lowest cost option is always considered before incurring an expense; and
- Company issued credit cards should be used only for business purposes and receipts submitted on a timely basis.

TSSA retains discretion not to reimburse expenses that violate one or more of these principles.

TSSA's leadership team is accountable for the application of this Policy in a fair and reasonable manner, including consideration of business expenses that may be incurred by an employee seeking to maintain a fair and reasonable balance between work/family commitments. All employees are entitled to prompt, fair and respectful treatment in the processing of expense claims and application of this Policy.

The fleet credit card provided to employees for leased vehicle expenses should not be used to make personal purchases or purchases that are otherwise eligible for reimbursement under this Policy.

In the event of any inconsistency between this Policy and an express provision of an applicable Collective Bargaining Agreement, the applicable provision of the collective agreement shall prevail to the extent of the inconsistency unless contrary to the law.

4.1 Approval Process

All employees should use TSSA's expense report system, Epicor, for expense claim reimbursement. A clear description/justification must be recorded for each expense line in Epicor. Approvers should perform a diligent review of employee expense claims prior to approval. The approvers must review each claimed expense line and its supporting documentation for entitlement and compliance. Employees must attach a copy of the itemized receipt(s) to the corresponding expense claim line in Epicor. If a copy of the receipt is not available, the reason for its absence must be recorded in Epicor for the impacted line. Finance will conduct a final review to ensure compliance with the Policy.

4.2 Expense Claims and Documentation

The Policy specifies a process and essential requirements for the submission and documentation of expense claims. Expense claims submitted should comply with the following policy requirements:



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- Original itemized receipts must be submitted documenting all expenses incurred. An employee who cannot provide a receipt to support a claim should follow the missing receipt process, established in the expense system, and provide an explanation for the missing receipt. TSSA retains discretion to reject reimbursement claims not supported by receipts and will consider the explanation in determining whether to exercise this discretion.
- The business purpose for expenses must be clearly stated in the documentation submitted including information on preapprovals where required.
- Employees should only claim reimbursement for their own expenses and should ensure that only their expenses appear on the detailed and itemized receipts kept for the purposes of the Policy. In cases where it is necessary or appropriate for one employee to claim expense reimbursement for goods or services used by multiple employees, the most senior employee, based on reporting relationships, must submit the claim.
- As a guideline, claims should be submitted at least once per month but no later than 60 days after the date that the expense was incurred. Expense claims submitted more than 60 days after incurrence may not be reimbursed. Employees using corporate credit cards should submit expense claims as soon as possible.

4.3 Travel Expenses

The policy strives to balance fair and reasonable costs with the practical needs of both the business and the employee. TSSA will reimburse appropriate business-related travel expenses in compliance with the following provisions:

- Travel expenses are only reimbursable when incurred on TSSA business.
- Employees are responsible for ensuring the most practical and economical arrangements for all aspects of travel, and shall make travel arrangements individually, or through a recognized travel agent where appropriate. TSSA retains discretion not to reimburse excessive travel expenses where a clearly more appropriate method of travel was available to the employee.
- Transportation authorized for business travel includes automobile, train, airlines, buses, and taxis. All travel should balance cost with reasonable convenience and safety. For example, it might be cheaper to take local public transportation but safer to take a taxi depending on where the employee needs to travel and time of day. When choosing mode of transportation (car vs air) employees should consider total costs of travel (time, fuel, etc.), safety and/or convenience (ie. materials to carry).
- Any accidents should be reported immediately to the employee's manager, or as soon as reasonably possible under the circumstances, as per the Insurable Claims and Litigation Reporting Guideline.



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4.3.1 Telecommunication

Business related communications costs are reimbursable where the employee is expected to maintain contact with the office and/or customers while travelling on business. Employees are encouraged to use company assigned equipment (e.g. laptops, cell phones, etc.) where established TSSA plans are in place.

Of the available effective methods of communication, employees should use the lowest cost method available and should confirm with Information Services prior to travel to establish cost effective telecommunication services and roaming methods if such ongoing communications are expected to be required for business purposes. TSSA retains discretion not to reimburse excessive communication expenses where a more appropriate method of communication was available to the employee as determined by Information Services.

4.3.2 Rental Car and Use of Personal Vehicle

Employees who have not been assigned a fleet car and have a personal vehicle, and who are required to travel long distance on occasion, should consider using a rental vehicle where the total travel cost is lower than the comparable kilometer claim.

Employees who choose to use their personal vehicles for TSSA business are eligible for kilometer reimbursement using rates established by Finance (ie. CRA rates). If a personal vehicle is used while on company business, the following rules apply:

- The vehicle must be insured at the vehicle owner's expense for personal motor vehicle liability.
- It is the driver/ owner's responsibility to ensure that the motor vehicle insurance includes coverage for business use of the vehicle.
- TSSA will not reimburse the costs of insurance coverage for business use, physical damage or liability.
- TSSA is not responsible for reimbursing deductible amounts related to insurance coverage.
- In the event of an accident, the employee will not be permitted to make a claim to TSSA for any resulting damages.

Should a rental vehicle be required, employees are encouraged to use a TSSA's preferred vendor, unless the preferred vendor cannot provide the service. Employees requiring a rental vehicle should be pre-approved by their supervisor/manager.

Employees must not pay the preferred vendor at time of rental, as TSSA will be



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billed directly. Any offers of insurance for rentals in continental North America (from the preferred vendor or other rental company) should be declined as TSSA already has appropriate coverage established.

When renting a vehicle, a compact model or its equivalent is recommended. Any exceptions must be:

- Documented and approved prior to the rental if possible.
- Guided by the principle that the rental vehicle is the most economical and practical size, taking into account the business purpose, number of occupants, and safety (including weather) considerations.

Luxury and sports vehicles are prohibited.

To avoid higher gasoline charges, the rental car should be refueled before returning it.

Where air service is the more practical and economical mode of travel, but the employee elects to travel by automobile, the kilometer reimbursement will be limited to a total of the equivalent economy airfare.

Out of Province Travel Authorization Form must be completed and approved for all business travel outside of Ontario.

4.3.2.1 Parking and Tolls

Reimbursement is provided for necessary and reasonable expenditures on parking, as well as tolls for bridges, ferries and highways. Parking and toll claims will be reimbursed when accompanied by receipts.

4.3.3 Taxis/Ride-sharing Services

Employees should consider the following prior to choosing to travel by taxi/ride-sharing service:

- Hotel/ airport shuttles should be used where available.
- Local public transit can be used whenever it is convenient and safe to do so.
- Cost of a rental car vs. use of taxi/ride-sharing service.

Taxis/ride-sharing services may be justified in cases where:

- Group travel is more economical than the total cost of having individuals travel separately.
- Taking a taxi/ride-sharing service allows you to meet an unusually tight schedule for meetings.

Prior approval to use a taxi should be obtained from the employee's supervisor for use of taxis for long distance travel.



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Taxis may not be used to commute to work or home except under exceptional circumstances pre-approved by the employee's supervisor, for instance:

- Safety conditions indicate it is the best, appropriate option such as working in the office for periods long in excess of (your) standard working hours and office business hours.
- Transport of heavy/ bulky work-related baggage or parcels is required.
- Personal emergency.

Taxi services selected must be appropriately licensed and insured in their jurisdictions for safety and liability reasons.

TSSA will reimburse reasonable (e.g. 15%) gratuities for taxi fares.

4.3.4 Air Travel

For domestic flights, travelers are expected to accept the lowest cost (non-refundable) fare offered as long as it is within four hours of the requested time, is to/from terminals specified, and provides total savings greater than \$100 (after consideration of other related costs). Travelers should anticipate longer travel times in the event that cost effective direct flights are not available.

Business class air travel is permissible for flights outside of Canada and the continental USA, and/or multiple legs of a journey resulting in continuous travel in excess of eight hours. Business class air travel is also permissible where the employee can demonstrate that there is no cost excess for business class travel relative to the most cost-effective travel alternative (e.g. economy class).

Travelers should also anticipate that conditions may arise that cause a flight to be cancelled/delayed, or that the traveler may be "bumped" to another flight. Travelers may consider the cost of guaranteeing a seat where a risk of losing the seat exists, but otherwise are encouraged to be on time and to use electronic/on-line check-in to minimize that possibility.

Participation in frequent flyer or other loyalty programs is at the discretion of the employee as long as the most cost-effective accommodation or method of travel is chosen. Loyalty points cannot be redeemed for cash by using the points for business purposes and then submitting a claim for reimbursement. The employee is responsible for any personal tax implications of use of loyalty points.

4.3.5 Train or Buses

Train or bus travel is permitted and will be reimbursed where it is the most practical and economical way to travel. A coach class economy fare is the standard. Prior approval must be obtained for business class travel.



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4.3.6 Travel outside Ontario

An Out of Province Travel Authorization Form must be pre-approved by a member of the Executive Leadership Team (or by the CEO if for a member of the Executive Leadership Team) for travel outside Ontario prior to booking air including hotel.

The airline tickets should be purchased as early as possible, at least 30 days prior to the travel date, to ensure the least cost option is available. If there is a change to the itinerary, it should be reported to the person who approved the travel as soon as possible.

TSSA will reimburse the cost of passports, visas, immunizations, and medications that are required for international travel.

Prior to travel, employees should discuss with their manager the daily maximum they should apply for meals and accommodation when travelling internationally. Amounts agreed to should be consistent with these policy guidelines, taking into account currency exchange, personal safety and meeting obligations and local economic conditions.

4.3.7 Meal Expenses

The Policy sets forth rules that apply specifically to reimbursable meal expenses for TSSA employees. For expenses involving non-TSSA employees, please refer to the hospitality section of the Policy. In addition to meeting all general provisions of the Policy, eligible meal and accommodation expenses should also comply with the following provisions:

- Except where specified otherwise in the Policy, meal and accommodation expenses are only reimbursable where the employee is engaged in travel on TSSA business outside the headquarters area or, in the case of field staff, while travelling on company business outside the normally assigned work area, or overnight.
- Employees who are requested by their manager/supervisor to work approved overtime for two or more consecutive hours beyond regular business hours are eligible for reimbursement of meals purchased during overtime hours. These meals are subject to the reimbursement maximums specified below and must be reasonable in relation to the hours worked and time of day.
- Per day and per meal maximum limits apply to all reimbursable meal expenses. For a full day of meal claims, an overall daily maximum of **\$70 per day applies, excluding taxes and tip**. For a partial day of meal claims, employees should use discretion. The guideline is \$20 for breakfast, \$20 for



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lunch and \$30 for dinner subject to the expense approver's review and approval if justified by the circumstances.

- 15% Gratuities is recommended.

4.3.8 Alcoholic Beverages

Alcohol must not be consumed during the period of performing any TSSA-related activities. TSSA will not reimburse the cost of alcoholic beverages.

4.3.9 Accommodation Expenses

TSSA will provide reimbursement for a standard room when the employee stays overnight while travelling on authorized company business, or by exception as approved by the responsible Executive Leadership Team member. Any fees resulting from booking of suites, executive floors or concierge levels will not be reimbursed. TSSA encourages its employees to ensure that hotel expenses remain economical, and to consult with Procurement for extended stays in excess of one week.

Within reasonable limits, TSSA will reimburse the cost of dry cleaning and/or laundry if travelling on business for five consecutive days or more.

TSSA will reimburse reasonable gratuities paid for porter, hotel room services, and housekeeping. Examples of reasonable amounts for gratuities include:

- \$5-\$10 for housekeeping for up to two nights in a hotel, up to \$10 for a longer stay.
- \$5-\$10 per bag for a porter.
- 15% for hotel room services, if not already included in the bill.

Accommodation expenses are only reimbursable where it is not reasonable for the employee to return home for lodging after completing TSSA business.

TSSA does not provide accommodation allowances for staying with relatives and/or friends.

4.3.10 Foreign Currency Conversion

Costs incurred in converting reasonable sums to foreign currencies and/or reconvert any unused balance to Canadian currency shall be reimbursed, subject to the provision of a detailed original receipt. Finance reserves the right to verify all exchange rates prior to approving expense claims related to currency exchange.



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4.4 Hospitality Expenses

Hospitality expenses generally arise for: (1) business meetings or events with TSSA employees and third parties (e.g. customer networking event), or (2) an activity attended only by employees (e.g. offsite meetings). Offsite team meetings and any other meetings involving only people who work for TSSA should be expensed as a regular business meeting noting the business purpose for the expense.

Hospitality involving third parties may include the provision of food, beverages, accommodation, transportation, or other amenities at company expense. In practice, hospitality generally applies to customers, vendors, contractors and other third parties (e.g. professional service providers,

consultants). Hospitality should be extended in an economical, consistent, and appropriate way when it will facilitate TSSA business or is considered desirable as a matter of professional courtesy. Eligible hospitality expenses must also comply with the following provisions:

- Part of normal business hospitality hosted by external parties may involve employee consumption of alcoholic beverages after business hours at a meal or reception. Expenses for alcohol associated with these hospitality functions are not reimbursable.
- Functions should minimize costs but be reasonable in respect of (1) the number of persons attending and (2) the business purpose to be achieved.
- A member of the Executive Leadership Team must approve in advance any gifts given as part of a hospitality event.
- Hosts should ensure that hospitality expenses are recorded, and also ensure that records contain the following information:
 - (1) the nature of the event and business purpose;
 - (2) the form of hospitality;
 - (3) the cost supported by receipts;
 - (4) the name and location of the establishment;
 - (5) the number of attendees listed, and
 - (6) where feasible/practical with reference to the size of the group, the names of individuals entertained, including company names.



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4.5 Invitations from the Industry

TSSA staff must obtain their manager's approval before accepting speaking engagements or invitations to participate in industry functions where they may incur travel or other expenses. The benefits of such participation will be reviewed by management taking into consideration the importance of avoiding potential or perceived conflicts of interest.



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Appendix 1 – Specific Responsibilities

The Executive Leadership Team is responsible for:

- oversight of compliance with the Policy for their respective teams;
- ensuring that expense claims and approved exemptions are consistent with the Policy and any other specified requirements under the Policy; and
- provision of approvals where required by the Policy.

The CFO is responsible for:

- ensuring organizational compliance with the Policy;
- overseeing the Policy and changes thereto; and
- ensuring that audits and inquiries are conducted, where appropriate, to ensure compliance with the Policy.

Directors, Managers, Team Leaders and Regional Supervisors are responsible for:

- providing their reporting employees with appropriate direction on compliance with the Policy;
- ensuring that their reporting employees comply with the Policy;
- ensuring the information/ receipts submitted are in compliance with the Policy;
- providing Finance (or Human Resources if appropriate) with documentation supporting special requests for exemptions related to medical, religious, or other accommodation, and
- providing approvals where required by the Policy.

Employees are responsible for:

- educating themselves as to the requirements of the Policy;
- ensuring that expense submissions comply with the Policy;
- being accountable for non-compliances with the Policy;
- submitting original documentation in a timely, accurate and honest manner; and
- fulfilling all requirements set forth in the Policy.

The Finance department is responsible for:

- comprehensive understanding of the Policy and effective administration thereof;
- professional approach in working with employees to ensure compliance;
- review and audit of expense claims to ensure compliance;
- timely processing of approved expense claims, including reimbursement to employees;
- follow-up with managers on non-compliance matters;
- escalation to senior management of any expense claim irregularities, including potential fraud; and
- assisting internal audit in periodic reviews of expense claims.



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Appendix 2 - Items that will not be Reimbursed

The following items are NOT reimbursable by TSSA, unless specifically approved by a member of the Executive Leadership Team:

- Airline Lounge or club memberships / country club membership dues
- Airline or other travel insurance
- Parking tickets and fines for other traffic violations
- Term parking fees (i.e. Monthly parking) for TSSA fleet vehicles are the responsibility of the employee and may only be reimbursed in exceptional circumstances.
- Delinquency fees / finance charges on personal credit cards
- Expenses for travel charges incurred by companions / family members
- Expenses related to vacation or personal days while on a business trip
- Loss / theft of personal funds or property / lost baggage and excess baggage charges
- Valet services
- Penalties for cancelling a guaranteed accommodation or car rental are the responsibility of the claimant and may only be reimbursed in exceptional circumstances.
- Rental car upgrades
- Repairs due to accidents
- Personal and rental car detailing and cleaning
- Hotel mini-bar charges
- Purchase of clothing and other personal items such as toiletry articles, haircuts, shoeshines, newspapers, magazines, alcohol, tobacco, etc.
- Briefcases or luggage (any cases required should follow the TSSA Procurement Policy)
- Purchase of in-room movies and entertainment and any other optional hotel amenities
- Medical expenses (other than emergency care – which are covered through TSSA's Group Benefits Plan)
- Personally owned aircraft and chartered aircraft expenses
- Personal Travel Insurance (for life or personal property) while travelling for TSSA
- Expenses for family, dependent care, pet care, home and grounds maintenance