

Policy on Reimbursement of Expenses

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I. PURPOSE and INTERPRETATION

1. This Policy establishes the basis and procedures on which Members, Volunteers and Employees are reimbursed by RECO for Expenses.
2. In this Policy, the following terms shall have the following meanings:

“Act” means the *Real Estate and Business Brokers Act, 2002*, S.O. 2002, c. 30, Sch. C., as amended, and the regulations passed pursuant to that statute.

“Administrative Agreement” means the administrative agreement between RECO and Her Majesty the Queen in Right of Ontario, dated 5 February 2013.

“Advisory Committee” means any committee or advisory group established by RECO to advise the Board or management on designated topics or issues, excluding Board Committees, Registrar’s Committees and Statutory Committees.

“Appointee” means any member of an Advisory Committee, Board Committee, Registrar’s Committee or Statutory Committee who is not a Director or an Employee.

“Approval Authority” means the person assigned responsibility for reviewing Expenses and approving Reimbursement pursuant to one of paragraphs II.5(i)-(vi).

“ARFI” means the Audit, Risk, Finance & Insurance Committee of the Board.

“Board” means RECO’s Board of Directors.

“Board Committee” means any committee of the Board established by the Board pursuant to the Policy on Committees of the Board of Directors, and the term includes any sub-committee of a Board Committee.

“CEO” means RECO’s chief executive officer.

“Chair” means the chair of the Board.

“Claimant” means any Director, Appointee or Employee who has submitted a claim for Reimbursement.



“Contract Employee” means an Employee hired for a regular number of hours and a limited time period specified in a contract of employment, as specified in the Policy on Hours of Work.

“Contracted Services” means outside services engaged by RECO from time to time to provide additional operating capacity, including (without limitation) independent contractors, consulting engagements and resources supplied through employment agencies.

“COO” means RECO’s chief operations officer.

“DFA” means RECO’s director, finance and accounting.

“Directive” means Ontario’s Travel, Meal and Hospitality Expenses Directive, issued by the Management Board of Cabinet in November 2004, as such may be amended, revised, restated, or replaced from time to time.

“Director” means a member of the Board.

“Employee” means a Full-Time Regular Employee, a Part-Time Regular Employee, or a Contract Employee.

“Expense” means any amount expended by a Director, Appointee or Employee as described in section V.1 and which is eligible for Reimbursement pursuant to this Policy.

“Full-Time Regular Employee” means an Employee hired to work RECO’s normal, full-time 40-hour work week on a regular basis, as specified in the Policy on Hours of Work.

“Hospitality” means the provision of food, beverages, accommodation or other amenities to persons who are not Directors, Appointees or Employees.

“Part-Time Regular Employee” means an Employee hired to work fewer hours than RECO’s normal full-time 40-hour work week on a regular basis, as specified in the Policy on Hours of Work.

“Reimbursement” means the reimbursement of Expenses.

“Registrar” means the registrar appointed under the Act.

“Registrar’s Committee” means any committee established by the Registrar for advisory purposes, and any sub-committee of a Registrar’s Committee.

“SMG” means RECO’s senior management group as appointed by the CEO.

“Statutory Committee” means any committee required to be established by RECO by virtue of the Act.



“Supervisor” means an Employee with responsibility for supervising the work of one or more other Employees.

3. By virtue of the resolution of the Board by which this Policy is enacted, the policy of the Board known as the “Director Expense Policy,” and the policy of SMG known as the “Employee Expense Policy” (being s.6.9 of RECO’s Employee and Managers’ Resource Handbook) are repealed in their entirety.
4. All values stated in this Policy are stated in Canadian dollars and are inclusive of applicable taxes, except where otherwise noted.
5. In any case in which an Expense is incurred in a currency other than Canadian dollars, then the Reimbursement will be made in Canadian dollars using the conversion rate applied by the issuer of the credit card used when the Expense was incurred. In cases where a method of payment other than credit card was used, the relevant Bank of Canada conversion rate will be applied, determined as at the date the Expense was incurred.

II. SCOPE and RESPONSIBILITIES

1. This Policy applies to Reimbursement for Directors, Appointees and Employees.
2. ARFI is generally responsible for overseeing the administration of this Policy, for making such reports to the Board in that respect as the Board may require or ARFI may deem necessary, and for requesting and reviewing such reports from the CEO or the COO as ARFI may require or as may be submitted directly by the CEO or the COO.
3. The COO is responsible for administration of this Policy, and the COO shall make such reports in that respect to the CEO or SMG as the CEO may request. The COO shall make reports directly to ARFI as ARFI may from time to time request.
4. Either the CEO or the COO may make reports directly to ARFI on the administration of this Policy as the CEO or the COO may deem necessary.
5. The following persons have responsibility and are accountable for reviewing Expenses and approving Reimbursement consistent with the terms of this Policy. Such review and approval must account for the validity of the claim for Reimbursement, the accuracy of the claim, the eligibility of the Expense for Reimbursement, and the sufficiency of supporting documentation.
 - (i) The chair of ARFI, for Expenses submitted for Reimbursement by the Chair.
 - (ii) The Chair, for Expenses submitted for Reimbursement by the CEO.



- (iii) The CEO, for Expenses submitted for Reimbursement by a Director other than the Chair, by an Appointee to a Board Committee, or by an Appointee to an Advisory Committee.
 - (iv) The Registrar, for Expenses submitted for Reimbursement by an Appointee to a Registrar's Committee.
 - (v) RECO's Manager, Discipline & Appeals Hearings, for Expenses submitted for Reimbursement by an Appointee to a Statutory Committee.
 - (vi) The Employee's Supervisor, for Expenses submitted for Reimbursement by that Employee.
6. Reimbursement for any Expense may be claimed only by the most senior RECO Director, Appointee or Employee among the group for whose benefit the Expense was incurred.
7. Exceptions
- (i) An Approval Authority may make exceptions under this Policy in extenuating circumstances, provided the Approval Authority has the prior agreement of the DFA. Exceptions may relate either to the entitlement to Reimbursement, or to the amount of Reimbursement for particular Expenses. All exceptions must be consistent with and justifiable in relation to the principles outlined in section IV.2, and shall be documented in writing by the DFA.
 - (ii) Each quarter, the DFA shall provide a report to SMG, summarizing the exceptions made under this Policy in the previous quarter, with rationales.
8. RECO's corporate credit cards must not be used in any circumstances for the payment of Expenses.
9. For the sake of greater certainty, this Policy has no application to claims for the reimbursement of expenses pursuant to Contracted Services. Employees with authority to engage Contracted Services are encouraged to require that all expenses incurred through Contracted Services are included in fees for services established in relevant contracts.
10. When booking accommodation or transportation directly, Directors, Appointees and Employees are encouraged to secure pricing by RECO preferred vendors wherever contracts with preferred vendors are in place and where such use is practical and economical in all the circumstances.

III. LEGAL and POLICY CONTEXT

This Policy shall be read and interpreted in a manner consistent with the following legal and policy framework, it being intended that the Policy shall be compliant with relevant law and policy.



Canada Not-for-Profit Corporations Act, S.C. 2009, c.23, as amended
Real Estate and Business Brokers Act, 2002, S.O. 2002, c.30, Sch. C, as amended
Safety and Consumer Statutes Administration Act, 1996, S.O. 1996, c.19, as amended

The Administrative Agreement between RECO and Her Majesty the Queen in Right of Ontario, dated 5 February 2013

Ontario's Travel, Meal and Hospitality Expenses Directive, issued by the Management Board of Cabinet in November 2004, as amended

RECO's Conflict of Interest Policy – Committee, Task Force, Working Group and Advisory Group Members

RECO's Conflict of Interest Policy - Director

RECO's Policy on Board & Committee Remuneration

RECO's Policy on Committees of the Board of Directors

RECO's Policy on Corporate Compliance

RECO's Policy on Delegation of Authorities

RECO's Policy on Director Orientation & Development

RECO's Policy on Hours of Work

RECO's Enterprise Risk & Innovation Management Policy

RECO's Policy on Organizational Planning & Performance

RECO's Policy on Sub-Delegation of Authorities

RECO's statement on employee Training & Development, being section 3.3 of RECO's Employee and Managers' Resource Handbook

IV. INTRODUCTION and PRINCIPLES

1. It is a requirement of the Administrative Agreement, and a feature of good governance at RECO, that RECO maintain an up-to-date written travel, meal and hospitality expenses policy and procedure in keeping with the spirit of the Directive. This Policy is intended to meet that requirement.
2. The following principles have been central to the Board in its development of this Policy, and will guide the interpretation of this Policy:
 - (i) Fairness. This Policy shall be interpreted in a fair manner, ensuring consistent treatment of claims for Reimbursement by Directors, Appointees and Employees.
 - (ii) Reasonableness. The dollar levels at which Reimbursement is made shall be reasonable and in keeping with the spirit of the Directive.
 - (iii) Accountability. All individuals and bodies with specific responsibilities under Article II, and all Directors, Appointees and Employees, shall be accountable for the due performance of their responsibilities and for making claims for



Reimbursement that are able to withstand public scrutiny, in keeping both with this Policy and the spirit of the Directive.

- (iv) Prudence. This Policy shall be administered with a view to the prudent management of the resources that accrue to RECO by virtue of its administration of the Act.
- (v) Transparency. To the extent reasonable and considering all the attendant circumstances, including any direction of the Board under section XII.2, this Policy shall be administered with a view to public disclosure and transparency.

V. REIMBURSABLE EXPENSES

1. For the purposes of this Policy, an "Expense" shall be understood to mean:
 - (i) For Directors and Appointees, any amount expended by the Director or Appointee to support the conduct of RECO business which is eligible for Reimbursement pursuant to this Policy.
 - (ii) For Employees, any amount expended by the Employee in the performance of their employment responsibilities which is eligible for Reimbursement pursuant to this Policy.
2. For the sake of greater certainty, but not so as to restrict the generality of section V.1, the following types of expenditures qualify as "Expenses" pursuant to this Policy:
 - (i) Subject to Article VI and section V.4, expenditures related to travel, including (without limitation) those related to accommodation, transportation and meals.
 - (ii) Expenditures related to orientation and professional development for Directors and Employees, consistent with the Policy on Director Orientation & Development (for Directors) and section 3.3 of RECO's Employee and Managers' Resource Handbook (for Employees).
 - (iii) Expenditures related to orientation and professional development for Appointees to Statutory Committees, provided that the orientation and professional development is required of the Appointee by RECO.
 - (iv) Expenditures related to maintaining professional memberships and certifications for Employees, where maintaining those memberships or certifications is either (a) a condition of the Employee's continued employment with RECO, consistent with s. 3.3.2 of RECO's Employee and Managers' Resource Handbook, or (b) a feature of the letter of appointment by which the Employee was hired by RECO.
 - (v) Expenditures related to Hospitality.



3. The cost of alcohol is not eligible for Reimbursement in any circumstance, subject only to Article IX.

VI. EXPENSES RELATED TO TRAVEL

1. Subject to this Policy, RECO will cause Reimbursement to be made to a Claimant for Expenses related to travel, as follows:
 - (i) Accommodation.
 - a) Ordinarily, RECO will arrange and book all accommodation for Directors and Appointees to Board Committees, the cost of which would qualify as an Expense eligible for Reimbursement, provided that the Director or Appointee supplies RECO with their personal credit card information and that information is used by RECO to book the accommodation. Other Appointees and Employees must arrange, book and pay for their own accommodation.
 - b) In all cases, RECO will reimburse the cost of the accommodation including all related hotel, or other taxes and levies only. Any personal charges that may appear on the accommodation receipt are the responsibility of the Director, Appointee or Employee and do not qualify as an Expense.
 - c) In circumstances where a Director, Appointee or Employee makes their own arrangements, then the cost of accommodation and related taxes qualify as an Expense and are eligible for Reimbursement. However, the cost of accommodation must be reasonable in all the circumstances, the determination of which shall be in the sole discretion of the Approval Authority. Directors, Appointees and Employees must use their best efforts to book in a timely way so as to take advantage of early booking savings if available.
 - d) Penalties for non-cancellation of guaranteed accommodation are the responsibility of the Director, Appointee or Employee, whether the accommodation has been booked by RECO or directly by the Director, Appointee or Employee.
 - e) Employee travel requiring accommodation out of the ordinary course of RECO business must be pre-approved by the relevant Approval Authority, and documented in writing. The assessment of whether or not travel is out of the ordinary course of business is in the discretion of the Approval Authority. Employees are encouraged to consult with their Approval Authority in the case of doubt.
 - f) Directors, Appointees and Employees are not entitled to claim Reimbursement for accommodation for the night before an event, where the Director or Appointee is travelling 75 kilometres or less to attend the event.



(ii) Transportation – Air, Train, Bus

- a) Ordinarily, RECO will arrange and book all transportation by air, train and bus for Directors and Appointees to Board Committees, the cost of which would qualify as an Expense eligible for Reimbursement, provided that the Director or Appointee supplies RECO with their personal credit card information and that information is used by RECO to book the transportation. Other Appointees and Employees must arrange, book and pay for their own transportation.
- b) In general, local public transit, including hotel and airport shuttles, should be used wherever possible and appropriate.
- c) In circumstances where a Director, Appointee or Employee makes their own arrangements, then the cost of air, train and bus transportation and related taxes qualify as an Expense and are eligible for Reimbursement. In all cases, coach or economy class is the standard. Amounts in excess of ordinary coach or economy class shall qualify as an Expense only if prior approval is obtained from the Approval Authority. Directors, Appointees and Employees must use their best efforts to book in a timely way so as to take advantage of early booking savings if available.

(iii) Transportation – Taxis and Rental Vehicles

- a) Where required, and in the interests of considerations such as safety, speed and accessibility, the cost of transportation by conventional taxi or by a ride-hailing service (such as Uber) will qualify as an Expense and is eligible for Reimbursement. The eligibility for Reimbursement of this cost will in all cases be in the discretion of the Approval Authority.
- b) Transportation by conventional taxi or by a ride-hailing service may be appropriate in cases where group travel is more economical than the cost of separate transportation, or where the cost is less than the cost of travel by personal or rental vehicle.
- c) The cost of a rental vehicle will qualify as an Expense only if prior approval is obtained from the Approval Authority. To qualify for Reimbursement of this Expense, rental vehicles must not be larger or more costly than mid-sized, non-luxury vehicles. Refueling charges for failure to refuel before returning a rental vehicle do not qualify as an Expense.

(iv) Transportation – Personal Vehicle

- a) Except to the extent otherwise provided in an appointment letter or contract of employment for an Employee, if a Director, Appointee or Employee chooses to use their own vehicle for transportation in circumstances where the cost of such use qualifies as an Expense, then RECO will cause Reimbursement to be made at the rates per kilometre



published by the Canada Revenue Agency (relevant to Canada outside of the Northwest Territories, Yukon and Nunavut) in effect from time to time, less 5 cents per kilometre. Amounts reimbursed pursuant to this paragraph cover all costs related to use of the personal vehicle, including fuel and other necessary costs.

- b) In no circumstances will Reimbursement be made under this paragraph VI.1(iv) in an amount greater than the cost of economy or coach air, train or bus travel for the same trip plus \$50 for connecting ground transportation.
- c) Where an Employee claims mileage for use of their personal vehicle in the ordinary course of their employment, for the purpose of Reimbursement mileage will be calculated in a manner to be determined by the Approval Authority, acting reasonably and generally in a manner consistent with the principles outlined in section IV.2.

(v) Meals

- a) The cost of meals is eligible for Reimbursement as an Expense where it otherwise qualifies as an Expense under Article V.
- b) Reimbursement of Expenses for meals is subject to the following daily per meal allowance, including taxes.

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$45.00

- c) Claims for the Reimbursement of Expenses for meals need not be supported by receipts.
- d) Ordinarily, breakfast on the first day of travel and dinner on the last day of travel are not Expenses eligible for Reimbursement, subject always to the discretion of the Approval Authority exercised in extenuating circumstances as contemplated by section II.7.

- 2. For the sake of greater certainty, (i) booking fees and service charges related to the use of travel services are not Reimbursable pursuant to this Policy, and (ii) except in extenuating circumstances established consistent with section II.7, mini-bar items and room service are not Reimbursable pursuant to this Policy.
- 3. RECO advises all Directors, Appointees and Employees against combining personal travel with travel for which Reimbursement is sought. In the event where personal travel is combined with travel for which Reimbursement is sought, the allocation of Expenses to the portion of the travel attributable to RECO business is in the sole discretion of the Approval Authority, acting reasonably. The Claimant shall use best efforts to separately document the travel claim for which Reimbursement is sought.



VII. EXPENSES RELATED TO PROFESSIONAL DEVELOPMENT

1. Reasonable costs related to individual professional development for Directors shall qualify for Reimbursement as an Expense under this Policy, subject in all cases to the Policy on Director Orientation & Development. Such costs may include tuition fees, registration fees and the costs of necessary materials, but otherwise will be limited to Expenses for travel as described in Article VI and miscellaneous Expenses as described in Article X.
2. Reasonable costs related to individual professional development for Employees shall qualify for Reimbursement as an Expense under this Policy, subject in all cases to section 3.3 of RECO's Employee and Managers' Resource Handbook. Except as may otherwise be described in that section 3.3, the Reimbursement of related Expenses will be limited to Expenses for travel as described in Article VI and miscellaneous Expenses as described in Article X.

VIII. EXPENSES RELATED TO PROFESSIONAL MEMBERSHIPS & CERTIFICATIONS

1. As provided in paragraph V.2(iii), reasonable costs related to maintaining professional memberships and certifications for Employees shall qualify for Reimbursement as an Expense under this Policy. Entitlement to Reimbursement is in all cases subject to the provisions of s.3.3.2 of RECO's Employee and Managers' Resource Handbook.
2. RECO does not pay costs related to maintaining professional memberships and certifications directly to the licensing or certifying body. Eligible Employees must pay those costs directly and submit a claim for Reimbursement of such costs as an Expense pursuant to this Policy.

IX. EXPENSES RELATED TO HOSPITALITY

1. The eligibility to claim Reimbursement for Expenses related to Hospitality is limited to Directors and Employees. In all circumstances, best efforts must be made to obtain approval from the Approval Authority prior to incurring Expenses related to Hospitality. If prior approval from the Approval Authority is not obtained, then Reimbursement is at the sole discretion of the Approval Authority.
2. Hospitality must be prudent and reasonable, and appropriate to facilitate the conduct of RECO business, or it must be considered desirable as a matter of courtesy. The purpose of Hospitality must be clearly documented by the Claimant and submitted with the claim for Reimbursement under Article XI. Documentation must note the purpose of the Hospitality and names of the individuals or groups involved.



3. The cost of alcohol related to Hospitality may be eligible for Reimbursement as an Expense, provided that the cost of alcohol for the person receiving Hospitality does not exceed the cost of food for that person. Any Director or Employee supplying alcohol in connection with Hospitality must be aware of and observe law relevant to host liability, serving alcohol only when discretion and caution prevail.

X. MISCELLANEOUS EXPENSES

1. Tips and Gratuities. Expenses related to tips and gratuities may be eligible for Reimbursement, subject to the following limits:

Related to a restaurant meal:

\$3.00, or 15% of the pre-tax cost of the meal, whichever is greater

Related to a taxi fare:

\$5.00, or 10% of the cost of the fare, whichever is greater

Related to housekeeping in a hotel:

Not greater than \$5 per night

Related to porter services:

Not greater than \$5 per bag per occasion

2. Parking and Tolls. Reimbursement is provided for Expenses that are otherwise eligible pursuant to Article V, related to parking and tolls for bridges, ferries and highways. Reimbursement is not provided for traffic or parking violations or related fees.
3. Incidentals.
 - (i) Reasonable Reimbursement for incidental Expenses may be made, subject always to the sole discretion of the Approval Authority. Such incidental Expenses may include, but are not limited to, goods, services, copying, service charges, and other like items necessary for the conduct of RECO business.
 - (ii) Without limiting the generality of paragraph IX.3(i), where the Claimant is traveling on RECO business for more than four consecutive nights, "incidentals" may include laundry services, dry cleaning, clothes pressing and shoe polishing. Incidentals may also include internet connections, phone charges related to calls on RECO business, and business services such as facsimile or photocopying where necessary.
 - (iii) Costs and losses related to lost baggage and theft of baggage or other personal belongings do not qualify as Expenses eligible for Reimbursement. Claimants are encouraged to protect themselves against such costs and losses through purchase of relevant travel insurance.



XI. PROCEDURES - SUBMISSION OF CLAIMS FOR REIMBURSEMENT

1. Subject only to exceptions that may be made from time to time by the DFA, all claims for Reimbursement of Expenses shall be made by the Claimant through RECO's Concur system, or any system that RECO may deploy in replacement of Concur. Access to the current system for Claimants shall be arranged by or under the direction of the DFA.
2. With the exception of (i) claims for Reimbursement for mileage pursuant to paragraph VI.1(iv), (ii) claims for Reimbursement for meals within the limits prescribed by sub-paragraph VI.1(v)(b), and (iii) claims for Reimbursement of an individual Expense of \$5.00 or less, all claims for Reimbursement of Expenses must be accompanied by itemized receipts for each individual Expense. Credit card or account statements may be substituted for receipts in any case where receipts are not ordinarily issued, the determination of which shall be in the sole discretion of the Approval Authority.
3. Claims for Reimbursement shall be submitted as required pursuant to section XI.1 within 60 days of the end of the month in which the relevant Expense was incurred. Failure to submit within this time period may result in disqualification of the claim for Reimbursement in the sole discretion of the Approval Authority and only in the case of extenuating circumstances as contemplated in section II.7.
4. Reimbursement is made every two weeks by direct deposit to the Claimant's designated bank account.
5. The validity of any claim for Reimbursement, the accuracy of the claim, the eligibility of the Expense for Reimbursement, and the sufficiency of supporting documentation are in all cases subject to the sole discretion of the Approval Authority.

XII. GENERAL

1. This Policy shall be published by RECO on its publicly facing web site.
2. Summaries of Reimbursements for all Claimants may be published by RECO on its publicly facing web site on the direction of the Board.
3. This Policy will be reviewed by the Board in the first instance during the third year after its initial approval, or sooner if warranted by internal or external changes or events. Following its first review, this Policy will be reviewed by the Board every fifth year, or sooner if warranted by internal or external changes or events. Any failure to review this Policy by the Board when scheduled shall not invalidate this Policy, it being understood that this Policy shall remain in full force and effect despite any failure to review.