

**HOSPITALITY POLICY**  
**MUNICIPALITY OF THE COUNTY OF INVERNESS**

<b>Policy Number:</b>	2021-01-21-02
<b>Date of Last Amendment:</b>	2021-02-04

**ARTICLE 1: Title**

- 1 (1) This Policy shall be known as the Hospitality Policy.

**ARTICLE 2: Authority**

- 2 (1) This Policy is made pursuant to Section 23 of the *Municipal Government Act*, SNS 1998, c 18, as amended, and pursuant to the *Financial Reporting and Accounting Manual*, a regulation pursuant to the *Municipal Government Act*, SNS 1998, c 18, as amended.

**ARTICLE 3: Definitions**

- 3 (1) In this Policy, the following words shall have the following meanings:
  - (a) “**CAO**” means the Chief Administrative Officer of the Municipality or an employee of the Municipality delegated any responsibilities or powers of the CAO pursuant to Section 29(b) of the *Municipal Government Act*, as amended;
  - (b) “**Councillor**” means a Councillor of the Municipality of the County of Inverness;
  - (c) “**Deputy Warden**” means the serving deputy warden of the Municipality;
  - (d) “**Municipality**” means the Municipality of the County of Inverness;
  - (e) “**Policy**” means this Hospitality Policy, as amended from time to time;

- (f) “**Reportable Individual**” mean Councillors, Warden, Deputy Warden, and CAO;
- (g) “**Staff**” means employees of the Municipality, but does not include the CAO for the purposes of this Policy; and
- (h) “**Warden**” means the serving warden of the Municipality.

**ARTICLE 4: Purpose of this Policy**

- 4 (1) This Policy recognizes that hospitality-related activities are, at times, necessary and legitimate expenses of the Municipality, supporting the effective conduct of government business and for reasons of diplomacy, protocol, business development or promotional advocacy.
- 4 (2) The purpose of this Policy is to provide direction and guidance with respect to the appropriate expensing of necessary hospitality expenses that support the Municipality’s objectives, in a manner that:
  - (a) Reflects the prudent stewardship of public funds. This Policy safeguards the appropriate use of public funds through the establishment of uniform standards and procedures respecting Councillors, CAO and Staff claims for hospitality expenses;
  - (c) Ensures hospitality is offered in an accountable, economical and consistent manner in the facilitation of government business and/or for reasons of diplomacy, protocol, business development or promotional advocacy; and
  - (d) Ensures taxpayers' dollars are used prudently and responsibly with a focus on accountability and transparency.

**ARTICLE 5: Application of this Policy**

- 5 (1) This Policy applies to the payment of eligible hospitality expenses by the Municipality and reimbursement by the Municipality of eligible hospitality expenses incurred by Councillors, Warden, Deputy Warden, CAO and Staff.

**ARTICLE 6: Eligible Hospitality Expenses**

- 6 (1) Subject to the provisions of this Policy, the following expenditures qualify for payment or reimbursement by the Municipality as hospitality expenses (hereinafter referred to as “**Hospitality Expense(s)**”):

(a) expenses related to a reception, ceremony, conference, or other event that involves hosting individuals from outside the Municipality in the following circumstances:

- i. Hosting foreign dignitaries;
- ii. Engaging in official public matters with representatives from other governments, business, industry or labour leaders, or other community leaders;
- iii. Sponsoring or hosting conferences;
- iv. Hosting ceremonies / recognition events; or
- v. Other official functions, as approved by the CAO, an employee delegated by the CAO, or Council; and

(b) the expense of a token gift to an individual outside of government (value not to exceed \$40.00) for reasons of diplomacy, protocol, business development or promotional advocacy.

## **ARTICLE 7: Restrictions on Hospitality Expense**

- 7 (1) Alcohol is prohibited at all hospitality events of the Municipality, and alcohol must not be paid for or reimbursed by the Municipality.

## **ARTICLE 8: Approval Process for Authorizing a Hospitality Expense**

- 8 (1) Subject to the provisions of this Policy, all Hospitality Expenses must be preauthorized by written approval of the appropriate signing authorities identified in Article 9 of this Policy.
- 8 (2) To request preauthorization of a Hospitality Expense, Councillors, Warden, Deputy Warden, CAO and Staff must provide the following information to the appropriate signing authorities:
  - (a) rationale/purpose of the event or gift;
  - (b) estimated numbers of attendees and their respective affiliations; and
  - (c) estimated itemized costs including gratuities and supplementary expenses.
- 8 (3) In reviewing a request for preauthorization of a Hospitality Expense, the appropriate signing authorities must consider the value and benefit of the proposed event or gift in relation to its cost.
- 8 (4) In instances where a hospitality event has been held without preauthorization, claims for reimbursement of a Hospitality Expense must provide the details outlined in Section 8(2) of this Policy and must include a document outlining the reasons why prior approval was not possible.

## **ARTICLE 9: Signing Authority**

- 9 (1) The sole signing authorities who may preauthorize and approve a Hospitality Expense for a Councillor are (1) the CAO (or an employee delegated by the CAO) and (2) the Chair of the Audit Committee of the Municipality (or the Vice-Chair of the Audit Committee of the Municipality).
- 9 (2) The sole signing authorities who may preauthorize and approve a Hospitality Expense

for the CAO are (1) the Warden (or Deputy Warden) and (2) the Chair of the Audit Committee of the Municipality (or the Vice-Chair of the Audit Committee of the Municipality).

- 9 (3) The sole signing authorities who may preauthorize and approve a Hospitality Expense for a Staff Member are (1) the CAO (or an employee delegated by the CAO) and (2) the Staff member's department head.
- 9 (4) An individual is prohibited from approving or authorizing a Hospitality Expense incurred on their own behalf.

**ARTICLE 10: Procedure For Reimbursement**

- 10 (1) Councillors, Warden, Deputy Warden, CAO and Staff seeking reimbursement for Hospitality Expenses must complete, sign and submit the hospitality expense claim form provided by the Municipality.
- 10 (2) Claims for reimbursement of Hospitality Expenses must include the following:
  - (a) A copy of the signed preauthorization for the event or gift for which the expense was incurred;
  - (b) The names and positions of the guests at the event;
  - (c) The business objective for the expense; and
  - (d) A detailed, itemized receipt for the expense. A debit or credit card receipt are not acceptable receipts.
- 10 (3) If no receipt is available for a Hospitality Expense, Councillors, Warden, Deputy Warden, CAO and Staff must complete, sign and submit a written attestation to explain why the receipt is unavailable, and a description itemizing and confirming the expense. Debit or credit card transaction records are not acceptable as receipts.
- 10 (4) Hospitality Expenses incurred by one individual on behalf of another must be attributed to the individual for whom those expenses were incurred.

- 10 (5) No hospitality expense claim shall be paid or reimbursed unless the claim is first approved for payment by two signing authorities who have authority to approve the claim pursuant to Article 9 of this Policy.
- 10 (6) Before approving a claim for reimbursement of a Hospitality Expense, signing authorities must ensure that:
  - (a) the claim is consistent with this Policy;
  - (b) the expenses claimed were necessarily incurred in the performance of municipal business;
  - (c) appropriate receipts are provided to support the claim and the claim documentation is appropriately filed;
  - (d) the expenses claimed have appropriate justification; and
  - (e) all requirements, as determined by the Audit Committee of the Municipality, have been fulfilled.
- 10 (7) In considering a hospitality expense claim for payment or reimbursement, a signing authority may request additional explanations, documentation or justification from the claimant, and may refuse to approve any claim or expense:
  - (a) that did not have prior authorization; and/or
  - (b) that the signing authority decides is unreasonable or not in compliance with this Policy.
- 10 (8) An individual is prohibited from authorizing her/his own hospitality expense claim.
- 10 (9) The use of petty cash to pay a hospitality expense claim is prohibited.

**ARTICLE 11: Reporting Requirements**

- 11 (1) The Municipality must prepare and post a quarterly hospitality expense report on the Municipality’s website that describes all of the Hospitality Expenses incurred by the Municipality during the quarter, within 90 days of the end of each fiscal quarter.
  
- 11 (2) By September 30th of each year, the Municipality must prepare and file with the Minister of Municipal Affairs and Housing an annual summary report of Hospitality Expenses for the preceding fiscal year, that is compliant with the requirements of the Department of Municipal Affairs and Housing and the requirements set out in the Financial Reporting and Accounting Manual.
  
- 11 (3) The Audit Committee of the Municipality shall review the annual summary report of Hospitality Expenses by October 31st of each year.

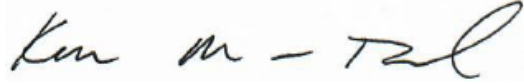
**ARTICLE 12: Policy Review**

- 12 (1) This Policy must be reviewed by the January 31st immediately following a regular election held under the *Municipal Elections Act*.

<b>Original Approval Date:</b>	January 3, 2019
<b>Date of Notice to Council of First Amended Version:</b>	January 21, 2021
<b>Date of Council Resolution approving First Amended Version:</b>	February 4, 2021

**Approval:**

**This is to certify that the above Policy was last amended by Council of the Municipality of the County of Inverness on February 4, 2021.**

A handwritten signature in black ink, appearing to read "Keith MacDonald".

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**Keith MacDonald, Chief Administrative Officer**