



HOSPITALITY POLICY

Purpose

ArcticNet recognizes that individuals who work for and with ArcticNet may incur hospitality expenses to further the mission of ArcticNet.

Objective

To ensure that expenses reimbursed reflect good business practices. Such practices require that all expenses:

- be directly related to business activities;
- be managed with prudence;
- represent the most economical and efficient use of funds;
- be able to withstand public scrutiny;
- provide a fair and consistent approach for the timely reimbursement of reasonable and authorized expenses incurred for hospitality related to ArcticNet business; and
- ensure that employees are not out-of-pocket for ArcticNet hospitality-related expenses.

Application

This Policy applies to Board members, and anyone working for or with ArcticNet, including members of any Board or operational committees who request the reimbursement of hospitality expenses incurred for ArcticNet business.

Approval and authority

ArcticNet's Board approves this Policy and any revisions or amendments to it.

ArcticNet's Executive Director (ED) or Chief Executive Officer (CEO) has ultimate authority for operationalization of this Policy while the Finance and Administration Manager (FAM) administers it.

Compliance requirements

This Policy complies with the requirements of the ArcticNet's Contribution Agreement with Innovation, Science, and Economic Development Canada (ISED), including ensuring that hospitality claims related to this Agreement are consistent with the Treasury Board Secretariat Directive on [Travel, Hospitality, Conference and event Expenditures](#) (TBSD) and the [National Joint Travel Directive](#) (NJTD).

Definitions

Hospitality: Consists of the provision of meals, non-alcoholic beverages or refreshments in events which are necessary for the effective conduct of ArcticNet business.

Annual hospitality plan

As part of the annual budget-setting exercise, ArcticNet develops an annual hospitality plan, through which it identifies, to the best of its ability, any expected hospitality for the following year. This plan will include plans for any Board, staff, or committee hospitality that is known at the time. It will consider alternatives to hospitality such as virtual meetings.

The following information is included in the hospitality plan:

- date and purpose of the hospitality; and
- details of hospitality expenses such as:
 - estimated number of participants;
 - facilitators, if engaged;
 - technology and set-up costs; and
 - estimated costs for room, food, and beverages.

The hospitality plan is reviewed by ArcticNet's Finance and Audit Committee as part of the budget-setting exercise. It is approved by the ArcticNet Board as part of the annual budget. Once approved, no further pre-approval will be required to undertake the hospitality that is outlined within the plan unless the proposed costs have escalated beyond a reasonable level.

Pre-approval of hospitality expenses that are not identified within the annual hospitality plan

Plans for hospitality expenses that are not identified within the annual hospitality plan must be pre-approved. Before incurring hospitality expenses, the individual who will be incurring the expense must send a pre-approval request to their manager by email that includes the following information

- date and purpose of the hospitality; and
- details of hospitality expenses such as:
 - estimated number of participants;
 - facilitators, if engaged;
 - technology and set-up costs; and
 - estimated costs for room, food, and beverages.

Process for pre-approval of hospitality expenses

The process for submitting a hospitality approval request is:

1. the individual submits a request to their immediate supervisor;
2. the immediate supervisor reviews the request for pre-approval of hospitality to confirm the validity of the expense and then approves and submits it to the FAM or their delegate;
3. the FAM or their delegate reviews the request to determine whether the amount is an eligible or ineligible expense as per the requirements of any funding programs to which it may apply (e.g., Strategic Science Fund) and to confirm that the request is feasible within ArcticNet's budget (ineligible expenses can be paid using other ArcticNet funds that are set aside for such purposes); and
4. the FAM or their delegate forwards the request to the appropriate individual based on the authority levels provided below.

Authority levels for pre-approval of hospitality expenses

The FAM or their delegate coordinates and submits the request for pre-approval of hospitality, subject to the following expense and signatory limits:

- up to \$2,000 shall be approved by the FAM;
- \$2,001 to \$5,000 shall be approved by the ED / CEO;
- \$5,001 and up shall be approved by the ED / CEO;
- the Board Chair pre-approves hospitality that is undertaken by the ED / CEO;
- the ED / CEO pre-approves hospitality that is undertaken by members of the operational committees; and
- the Board Chair pre-approves hospitality that is undertaken by Board members and the Vice-Chair pre-approves hospitality that is undertaken by the Board Chair.

Hospitality may only be incurred once the request is approved. The approval must then be filed and submitted alongside the hospitality expense claim.

Exemption for pre-approval of hospitality expenses

For working meals under \$500 that involve external stakeholders, there is an exemption to the requirement for pre-approval. This exemption applies only to the ArcticNet ED / CEO, Directors, and the Board Chair. To be reimbursed, an expense claim with receipts must be submitted. In the case of a Director, this claim is submitted to the ED / CEO. In the case of the ED / CEO, the claim is submitted to the Board Chair. In the case of the Board Chair, it is submitted to the Vice-Chair.

Reimbursable hospitality expenses

Reimbursable hospitality expenses include those incurred for hosting:

- networking events;
- conferences;
- workshops;
- staff-only and Board-only events such as Board meetings and retreats (N.B. staff-only meetings and retreats are an ineligible expense under federal funding programs); and
- business meetings with external stakeholders.

The reimbursement of meal-related expenses is subject to the following standards and maximums set out by the [TBSD and based on the allowances set out in the NJTD](#).

Non-reimbursable hospitality expenses

Non-reimbursable hospitality expenses are:

- alcoholic beverages, unless related to a special meeting, event, or celebration (N.B: alcoholic beverages are an ineligible expense for federally obtained funds under federal funding programs but can be paid for using other ArcticNet funds for special events); and
- entertainment expenses (e.g., concert tickets, etc.)

Payment of hospitality expenses

The ArcticNet employee in attendance who has received approval from the ED / CEO for hosting the hospitality event can pay for the hospitality expenses (and then seek reimbursement).

Reimbursement

Timing of expense claims

An expense claim must be submitted within 10 business days of having incurred the hospitality expenses.

Process for submission of expense claim

All claims must be substantiated by:

- the purpose for offering hospitality;
- the individuals who were offered hospitality and their affiliation;
- original vendor receipts for each item claimed; and
- confirmation of pre-approval.

The process for submitting a pre-approved hospitality claim is:

1. the individual submits the claim to their immediate supervisor;
2. the immediate supervisor reviews the claim to confirm that the information required for substantiation has been provided and then approves and submits it to the FAM or their delegate for reimbursement;
3. the CEO / ED submits their claim to the FAM to confirm that the information required for substantiation has been provided and then the FAM submits the claim to the Board Chair for final approval and reimbursement;

4. operational committee members submit their claim to the FAM to confirm that the information for substantiation has been provided, and the FAM submits the claim to the ED / CEO for final approval (the ED / CEO may delegate this responsibility to the FAM) and reimbursement;
5. Board members submit their claim to the FAM to confirm that the information required for substantiation has been provided and then the FAM submits the claim to the Board Chair for final approval and reimbursement; and
6. the Board Chair submits their claim to the FAM to confirm that the information required for substantiation has been provided and then the FAM submits the claim to the Vice-Chair for final approval and reimbursement.

The process for submitting a hospitality claim that has not been pre-approved:

1. the individual requests approval of the claim by their immediate supervisor or the delegated person, as outlined in section “*Exemption for pre-approval of hospitality expenses*”;
2. the supervisor or delegated person reviews the claim to confirm that the information required for substantiation has been provided, approves the claim, and submits it the FAM or their delegate who then reviews the claim to determine whether the amount is an eligible or ineligible expense as per the requirements of any government funding programs to which it may apply (e.g., Strategic Science Fund) and to confirm that the claim is feasible within the ArcticNet’s budget; and
3. reimburses the claim.

Reimbursement for claims that are above the amount that was pre-approved will require approval by an individual who holds a position above that of the immediate supervisor or by the delegated person.

Amendment: The Board may amend this policy.	Last Review: March 2025
Approval In Principle Date: March 11, 2025	Last Revision: