



## Administrative Policy # 2019-02

### Hospitality Policy

#### 1. Policy Statement:

- 1.1. The Town of Digby recognizes that hospitality-related activities are, at times, necessary and legitimate expenses supporting the effective conduct of government business and for reasons of diplomacy, protocol, business development or promotional advocacy.
- 1.2. The offering of hospitality will be done in such a manner so as to reflect the prudent stewardship of public funds. This policy safeguards the appropriate use of public funds through the establishment of uniform standards and procedures respecting Council member, Chief Administrative Officer (“CAO”) and Town of Digby employee hospitality claims.

#### 2. Scope:

- 2.1. This Policy is applicable to all members of the Town Council, individuals appointed by Council as per the Citizen Appointment to Committees, Commissions and Boards Policy, the Chief Administrative Officer (“CAO”) and all Town of Digby employees being reimbursed of expenses incurred in relation to Town of Digby Business.

#### 3. Policy Objectives:

- 3.1. To provide direction and guidance with respect to the appropriate expensing of necessary hospitality expenses that support the Town of Digby’s objectives.

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- 3.2. To ensure 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.
- 3.3. To ensure taxpayers' dollars are used prudently and responsibly with a focus on accountability and transparency.

### **4. Hospitality and Hospitality Events:**

- 4.1. A hospitality event is a reception, ceremony, conference, or other event that involves hosting individuals from outside the Town of Digby. Hospitality may be offered under the following circumstances in accordance with this policy:
  - 4.1.1. Hosting foreign dignitaries;
  - 4.1.2. Engaging in official public matters with representatives from other governments, business, industry or labour leaders, or other community leaders;
  - 4.1.3. Sponsoring or hosting conferences;
  - 4.1.4. Hosting ceremonies / recognition events; and
  - 4.1.5. Other official functions, as approved by the CAO, their designate or Town of Digby Council.

### **5. Signing Authorities:**

- 5.1. The following are the Signing Authorities for the positions referred to, and shall be responsible for administering this policy with respect to the individuals in those positions:

<b>Position</b>	<b>Signing Authority</b>
Members of Town of Digby Council Town of Digby Directors and Department Heads	CAO and Mayor or Deputy Mayor
CAO	Any two of the following Mayor, Deputy Mayor or Executive Committee Member
Town of Digby Employees	Immediate Supervisor and CAO

- 5.2 A Signing Authority may designate a second signing authority. The designation of a secondary signing authority shall be in writing and shall state the name and position of the designate.
- 5.3 A Signing Authority is prohibited from authorizing payment of hospitality expenses incurred on their own behalf.

**6. Prior Authorization:**

- 6.1. Subject to this policy, all hospitality events require prior authorization.
- 6.2. A request for prior authorization for hospitality events requires the following information:
  - 6.2.1. rationale/purpose of the event;
  - 6.2.2. estimated numbers of attendees and their respective affiliations;
  - 6.2.3. if alcohol is to be provided at the event, the reasons that the provision of alcohol is appropriate and warranted in the circumstances;
  - 6.2.4. estimated itemized costs including gratuities and supplementary expenses.
- 6.3. Requests for hospitality events shall be reviewed by either the CAO or their designate, or Council, who shall consider the value and benefit of the proposed event in relation to its cost in deciding whether to approve the hospitality event.
- 6.4. In instances where a hospitality event has been held without prior approval, claims for reimbursement must provide the details outlined above and also include a document outlining the reasons prior approval was not possible.

**7. Serving of Alcohol:**

- 7.1. While the standard for hospitality is the provision of non-alcoholic beverages, the provision of alcohol in the context of hospitality for reasons of diplomacy, protocol, business development or promotional advocacy is deemed an acceptable expense in limited circumstances. Any request for approval to serve alcohol at a hospitality event must have prior approval by either the CAO or their designate, or Council.

- 7.2. The Town of Digby, its employees and members of Council are expected to act responsibly in the use of public funds and in the care and well-being of themselves, other employees and their respective guests with respect to the serving of alcohol.
- 7.3. The Town of Digby will demonstrate good judgment in the reasonableness of the quantity and expense of alcoholic beverages offered to guests.
- 7.4. If alcohol is provided at a hospitality event, food must be served.

**8. Gifts:**

- 8.1. For reasons of diplomacy, protocol, business development or promotional advocacy, the giving of token gifts to individuals outside of the organization of the Town of Digby (value not to exceed \$200.00) is sometimes appropriate. Any giving of gifts requires prior approval by either the CAO or their designate, or Council.

**9. Claims for Reimbursement of Hospitality Expenses:**

- 9.1. Claims for reimbursement of hospitality expenses must be submitted on the form provided from time to time by the Town of Digby and shall be signed by the Claimant.
- 9.2. Hospitality expense claims must include the following:
  - 9.2.1. A copy of the signed prior authorization for the hospitality event for which the expense was incurred;
  - 9.2.2. The names and positions of the guests at the hospitality event;
  - 9.2.3. The business objective for the expense;
  - 9.2.4. A detailed itemized receipt for the expense.
- 9.3. In instances where prior approval of the hospitality event was not possible, the hospitality expense claim must also provide the information required in section 6.2 and an explanation of why prior approval was not possible.

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- 9.4. If no receipt is available for a hospitality expense, a written attestation signed by the Claimant must be submitted to explain why the receipt is unavailable, and a description itemizing and confirming the expense must be provided. Debit or credit card transaction records are not acceptable as receipts.
- 9.5. Hospitality expenses incurred by one individual on behalf of another must be attributed to the individual for whom those expenses were incurred.
- 9.6. No hospitality expense claim shall be paid unless the claim is first approved for payment by two Signing Authorities who have authority to approve the claim. Before approving an expense claim, a Signing Authority must ensure that:
  - 9.6.1. the claim is consistent with this policy;
  - 9.6.2. the expenses claimed were necessarily incurred in the performance of municipal business;
  - 9.6.3. appropriate receipts are provided to support the claim, and that the claim documentation is appropriately filed;
  - 9.6.4. the expenses claimed have appropriate justification; and
  - 9.6.5. all requirements, as determined by the Town of Digby Audit Committee, have been fulfilled.
- 9.7. In considering a hospitality expense claim for payment, a Signing Authority may request additional explanations, documentation or justification from the claimant, and may refuse to approve any claim or expense did not have prior authorization and that the Signing Authority decides is unreasonable or not in compliance with this policy.
- 9.8. The use of petty cash to pay a hospitality expense claim is prohibited.

### **10. Reporting Requirements:**

- 10.1. Pursuant to section 65A of the Municipal Government Act, the CAO shall ensure that the Town of Digby does the following:

10.1.1. Within 90 days of the end of each fiscal quarter, prepares and posts a hospitality expense report on the Town of Digby website that describes all of the hospitality expenses incurred by the Town of Digby, including purchases of Alcohol during the quarter.

10.1.2. By September 30th of each year, prepares and files with the Minister of Municipal Affairs an annual summary report that summarizes the hospitality expense reports for the preceding fiscal year, which is compliant with the requirements of the Department of Municipal Affairs and the requirements set out in the Financial Reporting and Accounting Manual.

**11. Review Requirements:**

11.1. The Town of Digby Audit Committee shall review the expense annual summary report by October 31st of each year.

11.2. By the January 31st immediately following a regular election held under the Municipal Elections Act, Council shall review this policy and, following a motion by Council, either re-adopt the policy or amend the policy and adopt the policy as amended.

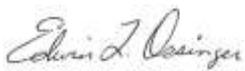
**Clerk's Annotation for Official Policy Book**

**Date of Notice:** December 17, 2018

**Date of adoption:** January 7, 2019

**Policy effective date:** January 1, 2019

**I certify that this Administrative Policy # 2019-02 Hospitality Policy was adopted by Council as indicated above.**

  
Edwin J. Osinger

**Clerk**

January 8, 2019

**Date**