

## Internal and external hospitality

### Effective date

This policy is effective September 1, 2017.

### Scope

This policy applies to all employees and non-employees who are planning or participating in an FCC event where hospitality (meals and refreshments) is provided.

### Policy objective

Hospitality may be provided at FCC core and non-core events when deemed appropriate and approved by the respective Vice-President or the President and CEO.

### Policy statement

Employees are responsible for rigorously planning events and managing hospitality, including taking measures to minimize or avoid costs. When deciding to offer hospitality to employees and/or guests, event organizers must carefully consider the potential impact on FCC's reputation, whether the hospitality is necessary based on the circumstances and/or courtesy, diplomacy or protocol and whether the expense represents an appropriate use of FCC funds.

Meals and/or refreshments will **not** be provided during regular business meetings. These meetings must be scheduled to allow for appropriate coffee breaks and one-hour lunch breaks to provide employees with time to obtain their own refreshments and/or lunch.

When business meals and/or refreshments are provided, the total cost, including tips and taxes, must not exceed FCC's meal allowance rates for internal hospitality or the standard cost per person for external hospitality, as listed on the current Meal and Incidental Rates page.

Hospitality expenses cannot be pre-approved by an individual who plans to be in attendance at the event and must be reassigned to a higher level of authority for pre-approval.

Employees must adhere to FCC's Code of Conduct and Ethics when accepting or providing hospitality. Hospitality, including gifts given to [guests](#) whether at the event or separately, must be appropriate, customary and cost effective.

### Policy exceptions

The Executive Vice-President and Chief Human Resources Officer can authorize policy exceptions.

### Policy review and approval

The Senior Workforce Planning Manager is responsible for reviewing this policy every two years. The Executive Vice-President and Chief Human Resources Officer is responsible for the approval of the policy and any amendments.

## **Policy maintenance**

The Senior Workforce Planning Manager is responsible for the maintenance and administration of the policy.

## Internal hospitality – employees meals and refreshments

Decisions to offer internal hospitality (employee meals and refreshments) must be carefully considered and demonstrate the necessity based on the circumstances.

Meals and/or refreshments will **not** be provided during regular business meetings. These meetings must be scheduled to allow for appropriate coffee breaks and one-hour lunch breaks to provide employees with time to obtain their own refreshments and/or lunch.

If a business meal includes both employees on travel status and employees in their home location:

- the employees on travel status will claim the expense as per the applicable meal allowance
- employees in their home location will pay for their meal as an out-of-pocket expense

In exceptional circumstances, and with the pre-approval of the respective Vice-President, employees in their home location may be provided with a meal and/or refreshments, when:

- the business meeting begins before normal working hours (breakfast)
- they are **required** to work through normal meal breaks (lunch and supper) while meeting with customers, partners or centres of influence (COIs), or when the business meeting agenda with other employees continues through the meal and/or refreshment break
- there are no nearby or appropriate facilities to obtain meals or refreshments
- the number of participants makes it ineffective or inefficient for employees to leave the venue to obtain meals or refreshments

**Note:** Hospitality expenses cannot be pre-approved by an individual who plans to attend the event and must be reassigned to a higher level of authority for pre-approval. For example: if the Vice-President plans to attend the event, pre-approval must come from the President and CEO.

When business meals and/or refreshments are provided, the total cost, including tips and taxes, must not exceed FCC's meal allowance rates for internal hospitality, as listed on the current Meal and Incidental Rates page.

**Note:** Business meals exceeding this amount must be approved by the President and CEO.

A meal allowance will not be paid for employees on travel status when the meal is provided as part of a conference or meeting. When the meal is included in the cost of the employee's hotel accommodation, the meal allowance may be subject to his or her manager's discretion.

Events that include hospitality (meals and/or refreshments) or entertainment to employees must have the costs pre-approved before the event occurs.

- The event organizer must complete Form 3901 – Request for Event Authorization if FCC will be invoiced for the hospitality or entertainment.
- Employees must complete a Travel Authorization if they intend to receive or offer hospitality or entertainment, pay the costs directly and submit an expense report to seek reimbursement.

Pre-approval for hospitality and entertainment expenses is required as follows:

<b>If</b>	<b>Then the employee must obtain pre-approval from</b>
<p>Meals and/or refreshments will be provided to employees</p> <p><b>And</b></p> <p>The food and beverage costs are within the applicable meal per allowance rate</p> <p><b>And</b></p> <p>The total expected costs associated with the internal hospitality will be \$3,000 or less</p>	<p>The respective Vice-President</p>
<p>Food and/or beverage costs exceed the applicable employee meal allowance rate</p> <p><b>Or</b></p> <p>The total expected costs associated with the hospitality is greater than \$3,000</p> <p><b>Or</b></p> <p>The respective Vice-President will be present at the event</p> <p><b>Or</b></p> <p>Hospitality paid by FCC will be extended at the residence of an FCC employee</p> <p><b>Or</b></p> <p>Hospitality paid by FCC will be extended to spouse or partner of an FCC employee</p>	<p>The President and CEO</p>

Local transportation to and from the event or activity is not considered as part of hospitality except in special circumstances involving FCC guests for reasons of courtesy, diplomacy or protocol.

Facility rentals and associated costs such as audio/video equipment and technical support or translation services are not considered as part of hospitality except in special circumstances for reasons of courtesy, diplomacy or protocol (for example, where the costs are directly and inherently for hospitality purposes such as renting a room to host a lunch).

## External hospitality and entertainment

Decisions to offer external hospitality or entertainment must be carefully considered and demonstrate the necessity based on the circumstances and/or courtesy, diplomacy or protocol.

When planning external hospitality expenditures as part of an event, employees must adhere to the following:

- Food and beverages can only be provided in accordance with the standard per person cost limits noted below. These limits are based on the allowances set out in the *National Joint Council Travel Directive* and reflect per person hospitality costs provided per meal type over the course of a single day and per serving for refreshments.
  - The standard cost per person is the expected meal cost in normal circumstances, as listed on the current Meal and Incidental Rates page. This expense must be pre-approved by the respective Vice-President.
  - The cost per person may only exceed the standard cost in exceptional circumstances as determined by the type of event, the status and nature of the participants and for reasons of courtesy, diplomacy and/or protocol. These expenses must be approved by the President and CEO. A detailed receipt must be provided.

Actual costs for each host or guest should not exceed the following per meal and daily allowances (including tips and taxes):

Food and beverages	Standard cost per person
Breakfast	1.5 x Breakfast Allowance
Refreshment	0.5 x Breakfast Allowance
Lunch	2.0 x Lunch Allowance
Reception	2.0 x Breakfast Allowance
Dinner	1.75 x Dinner Allowance

If the actual cost is less than the standard cost per person, employees must claim the actual amount indicated on the receipt.

Events that provide hospitality (meals and/or refreshments) or entertainment to guests of FCC must have the costs pre-approved before the event occurs.

- The event organizer must complete Form 3901 – Request for Event Authorization if FCC will be invoiced for the hospitality or entertainment.
- Employees must complete a Travel Authorization if they intend to offer hospitality or entertainment to an external guest(s), pay the costs directly and submit an expense report to seek reimbursement.

Pre-approval for hospitality and entertainment expenses is required as follows:

If	Then the employee must obtain pre-approval from
<p>Food and/or beverages will be provided as external hospitality and the cost will be within the standard cost per person*</p> <p><b>And</b></p> <p>The total expected costs associated with the internal or external hospitality will be \$3,000 or less</p>	<p>The respective Vice-President</p>
<p>Food and/or beverage costs exceed the standard cost per person for external hospitality*</p> <p><b>Or</b></p> <p>The total expected costs associated with the hospitality is greater than \$3,000</p> <p><b>Or</b></p> <p>Alcohol or entertainment will be provided</p> <p><b>Note:</b> FCC's standard for hospitality is to provide non-alcoholic beverages. Alcohol cannot be given as a hospitality gift but may be served at core events, as per the Consumption of Alcohol policy.</p> <p><b>Or</b></p> <p>Hospitality is planned in advance for a large group and alcohol will likely be consumed (for example, an appropriate mix of FCC employees and customer representatives to celebrate the closing of a large credit facility)</p> <p><b>Or</b></p> <p>The respective Vice-President will be present at the event</p> <p><b>Or</b></p> <p>Hospitality paid by FCC will be extended at the residence of an FCC employee</p> <p><b>Or</b></p> <p>Hospitality paid by FCC will be extended to spouse or partner of an FCC employee</p>	<p>The President and CEO</p>

\* Employees in customer-facing or other related roles do not require pre-approval to provide hospitality (meals and/or refreshments including alcohol) to customers, partners and centres of influence (COIs) when:

- the hospitality supports the delivery of FCC's core business objectives
- the number attending is small and the cost of the food and beverages is within FCC's standard cost per person, which includes taxes and tips
- alcohol is served in moderation

**Note:** In this case, employees may claim alcoholic beverages purchased for their guest, but must personally pay the costs of any alcoholic beverages they consume.

Hospitality may be extended to the following:

- guests of FCC, who include, but are not limited to:
  - external or potential customers
  - individuals being recruited for employment with FCC
  - vendors, suppliers and third-party service providers such as contractors, landlords, supply companies or consultants
  - centres of influence, business contacts and/or networks
  - stakeholders, whether with public or private sector companies, industry or public interest groups

**Note:** Other federal government employees are not considered guests, when they are the only individuals, aside from FCC employees, at an event.

- other individuals, including spouses or partners of FCC employees, attending a customer-facing event where the person's presence is necessary, is considered customary and/or supports protocol – and where pre-approval from the President and CEO has been obtained

**Note:** If an employee pays hospitality and/or travel expenses for his or her spouse or partner, he or she must be reimbursed. If an FCC host pays for the expenses, he or she must clearly identify which expenses apply to the employee's spouse or partner in the supporting documentation when submitting an expense report.

- FCC employees who are required to:
  - enhance the effectiveness of the [event](#) and have been identified to act as [hosts](#) to [guests](#) of FCC
  - participate in an event or conference that includes guests where hospitality is provided as a matter of courtesy, diplomacy or protocol

**Note:** FCC employees are not considered guests.

External hospitality and entertainment expenses eligible for reimbursement under this policy include, but are not limited to:

- food and beverages (non-alcoholic beverages are FCC's standard)
- tickets to cultural activities or sporting events
- tours to places of interest
- entertainment

**Note:** FCC employees who are required to accompany FCC guests can similarly partake in the entertainment activities, with pre-approval from the President and CEO.

- gifts, given they are appropriate and customary
- incidentals such as entry fees or raffle tickets, to a maximum of \$25.95 per guest

Local transportation to and from the event or activity is not considered as part of hospitality except in special circumstances involving FCC guests for reasons of courtesy, diplomacy or protocol.

Facility rentals and associated costs such as audio/video equipment and technical support or translation services are not considered as part of hospitality except in special circumstances for reasons of courtesy, diplomacy or protocol (for example, where the costs are directly and inherently for hospitality purposes such as renting a room to host a lunch).

## Alcohol

FCC's standard for hospitality is to provide non-alcoholic beverages.

Alcoholic beverages may only be provided in special circumstances where it is a matter of courtesy, diplomacy or protocol involving non-FCC employees at core events. It is only acceptable at these events if it has been pre-approved by the President and CEO and:

- its use is consistent with the Consumption of Alcohol policy
- it is not served on [FCC premises](#)
- the facility is suited to serve alcohol
- it is deemed appropriate within the context of the event and isn't harmful to FCC's business reputation
- it is not consumed by an FCC host during regular business hours and is only consumed in moderation by all others in attendance
- an individual is clearly and specifically identified as being responsible for monitoring event attendees' alcohol consumption and ensuring that attendees are not over-served
- no after-event parties are planned or promoted
- people are reminded during the event to drink responsibly and their transportation home, such as designated drivers or taxis, is monitored

## Location

Hospitality expenses will typically be incurred at a restaurant or catered event. Hospitality may also occur in a private residence or less formal setting. Expenses incurred in such situations are reimbursable as long as they have been pre-approved by the President and CEO.

**Note:** Food, beverages and disposable or rented service ware directly related to the event may be reimbursed.

FCC hosts are encouraged to hold events at licensed facilities. When that isn't possible, they must arrange for proper liquor and event permits. They are also encouraged to hire bartenders and wait staff.

## Accountabilities of FCC hosts

The FCC host is responsible for:

- keeping meal costs, including the tip and taxes, within the applicable meal allowance rates for internal hospitality and with the standard cost per person for external hospitality, as listed on the current Meal and Incidental Rates page
- paying all meal costs, even if they exceed the allowance, before leaving the establishment

**Note:** Meal costs above the applicable meal allowance rates or the standard cost per person meal allowance will be reimbursed at the discretion of the President and CEO.

Employees acting as FCC hosts have been selected as corporate ambassadors and should demonstrate pride in representing FCC during the customer-facing event. FCC hosts should:

- speak with confidence, diplomacy and professionalism and effectively promote FCC as a lender, employer and good corporate citizen
- ensure that they are accessible to meet guests' needs from the start to the end of the event
- take personal interest in guests' inquiries

**Note:** If a guest has questions that are beyond the scope of the event, the FCC host will find the requested information or advise the guest where additional information can be found.

- bring back information gathered at the event to the appropriate FCC work area
- monitor the consumption of alcohol by event attendees, remind them to drink responsibly, ensure that they are not over-served and offer safe alternatives for transportation home at the end of the event

In relation to external hospitality expenditures, FCC hosts must:

- consider the impact on FCC's reputation and exercise responsible judgment when incurring hospitality expenditures

**Note:** FCC hosts should always question whether the proposed expense represents an appropriate use of FCC funds.

- strive to keep costs within the food and beverage standard cost per person and provide receipts for expenses incurred

**Note:** The FCC host must pay all meal costs, even if costs exceed the allowance, before leaving the establishment. Meal costs that exceed the standard cost per person meal allowance will be reimbursed at the discretion of the President and CEO.

- ensure that expenses are paid and claimed by the most senior FCC employee present at the event

## Planning and obtaining pre-approval for hospitality expenses

Decisions to offer hospitality (meals and/or refreshments) to employees and/or guests must be carefully considered and demonstrate necessity based on the circumstances and/or courtesy, diplomacy or protocol.

When business meals and/or refreshments are provided, the total cost, including tips and taxes, must not exceed FCC's meal allowance rates for internal hospitality or the standard cost per person for external hospitality, as listed on the current Meal and Incidental Rates page.

**Note:** Business meals exceeding this amount must be approved by the President and CEO.

A meal allowance will not be paid for employees on travel status when the meal that is provided as part of a conference or meeting. When the meal is included in the cost of the employee's hotel accommodation, the meal allowance may be subject to his or her manager's discretion.

The event organizer or employee must complete:

- Form 3901 – Request for Event Authorization if FCC will be invoiced for meals and/or refreshments
- a Travel Authorization if the event organizer or employee intends on paying for the meal and/or refreshment costs directly and submitting an expense report to seek reimbursement

Pre-approval for hospitality (business meal and/or refreshment) costs is as follows:

If	Then the approver is
<p>The total hospitality (meal and/or refreshment) costs are expected to be \$3,000 or less</p> <p><b>Or</b></p> <p>Food and beverage costs will be within the applicable meal allowance rate for internal hospitality</p> <p><b>Or</b></p> <p>Food and beverage costs will be within the standard cost per person for external hospitality</p>	<p>The respective Vice-President</p>
<p>The hospitality (meal and/or refreshment) costs are expected to exceed \$3,000</p> <p><b>Or</b></p> <p>Food and beverage costs will exceed the applicable meal allowance rate for internal hospitality</p> <p><b>Or</b></p> <p>Food and beverages will exceed the standard cost per person for external hospitality</p> <p><b>Or</b></p> <p>Alcohol or entertainment will be provided</p> <p><b>Note:</b> FCC's standard for hospitality is to provide non-alcoholic beverages. Alcohol cannot be given as a hospitality gift but may be served at core events, as per the Consumption of Alcohol policy.</p> <p><b>Or</b></p> <p>Hospitality is planned in advance for a large group and alcohol will likely be consumed (for example, an appropriate mix of FCC employees and customer representatives to celebrate the closing of a large credit facility)</p> <p><b>Or</b></p> <p>The respective Vice-President will be present at the event</p> <p><b>Or</b></p> <p>Hospitality paid by FCC will be extended at the residence of an FCC employee</p> <p><b>Or</b></p> <p>Hospitality paid by FCC will be extended to spouse or partner of an FCC employee</p>	<p>The President and CEO</p>