

HOSPITALITY POLICY	
Effective Date: September 16/19	Approved by: Council
Revision Sate: October 16, 2023	Coverage: Staff and Council

Policy Statement

1. The Town of Middleton 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.

2. The offering of hospitality will be done in such a manner 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 Middleton employee hospitality claims.

Policy Objectives

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

4. 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.

5. To ensure taxpayers’ dollars are used prudently and responsibly with a focus on accountability and transparency.

Hospitality and Hospitality Events

6. A hospitality event is a reception, ceremony, conference, or other event that involves hosting individuals from outside the Town of Middleton. Hospitality may be offered under the following circumstances in accordance with this policy:
 - a. hosting foreign dignitaries;
 - b. engaging in official public matters with representatives from other governments, business, industry or labour leaders, or other community leaders;
 - c. sponsoring or hosting conferences;
 - d. hosting ceremonies / recognition events; and
 - e. other official functions, as approved by the CAO, their designate, or Council.

Signing Authorities

7. 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:

Position	Signing Authority
Member of Town Council	CAO or designate AND Audit Committee Chair.
CAO	Mayor or designate AND Audit Committee Chair.
Town Employees	Immediate Supervisor AND CAO or designate.

8. The Director of Finance shall act as the CAO's designate when the CAO is away from the office.
9. A Signing Authority is prohibited from authorizing payment of hospitality expenses incurred on their own behalf.

Prior Authorization

10. Subject to this policy, all hospitality events require prior authorization.
11. A request for prior authorization for hospitality events requires the following information:
- a. rationale/purpose of the event;
 - b. estimated numbers of attendees and their respective affiliations;
 - c. if alcohol is to be provided at the event, the reasons that the provision of alcohol is appropriate and warranted in the circumstances;
 - d. estimated itemized costs including gratuities and supplementary expenses.
12. 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.
13. In instances where a hospitality event has been held without prior approval, claims for reimbursement must provide the details outlined above and include a document outlining the reasons prior approval was not possible.

Serving of Alcohol

14. 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 the CAO or their designate, or Council.

15. The Town of Middleton, 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.
16. The Town of Middleton will demonstrate good judgment in the reasonableness of the quantity and expense of alcoholic beverages offered to guests.
17. If alcohol is provided at a hospitality event, food must be served.

Gifts

18. For reasons of diplomacy, protocol, business development or promotional advocacy, the giving of token gifts to individuals outside of government is sometimes appropriate. Any giving of gifts requires prior approval by the CAO or their designate, or Council. No specific dollar limit is set by this Policy. The amount to be spent on a gift shall be reasonable and appropriate relative to the event for which the gift will be given.

Claims for Reimbursement of Hospitality Expenses

19. Claims for reimbursement of hospitality expenses must be submitted on the form provided by the Town of Middleton and shall be signed by the Claimant.
20. Hospitality expense claims must include the following:
 - a. a copy of the signed prior authorization for the hospitality event for which the expense was incurred;
 - b. the names and positions of the guests at the hospitality event;
 - c. the business objective for the expense;
 - d. a detailed itemized receipt for the expense.
21. Debit or credit card transaction records are not acceptable as receipts.
22. Hospitality expenses incurred by one individual on behalf of another must be attributed to the individual for whom those expenses were incurred.
23. 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:
 - 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 that the claim documentation is appropriately filed;
 - d. the expenses claimed have appropriate justification.
24. 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.
25. The use of petty cash to pay a hospitality expense claim is prohibited.

Reporting Requirements

26. Pursuant to s. 65A of the *Municipal Government Act*, the CAO shall ensure that the Town of Middleton does the following:
- a. within ninety (90) days of the end of each fiscal quarter, prepares and posts a hospitality expense report on the Town of Middleton website that describes all the hospitality expenses incurred by the Town of Middleton, including purchases of alcohol, during the quarter;
 - b. 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, that is compliant with the requirements of the Department of Municipal Affairs and the requirements set out in the Financial Reporting and Accounting Manual.

Review Requirements

27. The Town of Middleton Audit Committee shall review the hospitality annual summary report by October 31st of each year.
28. By 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.



Certification

THIS IS TO CERTIFY that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on the 16th day of October 2023.

GIVEN under the hand of the CAO and under the seal of the Town of Middleton this 17th day of October 18, 2023.

A handwritten signature in blue ink, appearing to read "Ashley Crocker", written over a horizontal line.

Ashley Crocker
Chief Administrative Officer

Policy Adoption	
Date of 7-day notification to Council	October 3, 2023
Date of Approval	October 16, 2023