

Municipality of the District of Lunenburg

Policy Details	
Name	Gifts and Hospitality
Number	077
Legislative Authority	MGA s. 23(3) and 408AA
Effective Date	January 28, 2025

Preamble

- 1 The Municipality of the District of Lunenburg recognizes that gifts and hospitality-related activities are, at times, appropriate and legitimate expenses supporting the effective conduct of municipal business. The offering of gifts and hospitality will be done in such a manner to reflect the prudent stewardship of public funds and should be a reasonable expense based on the circumstances.

Definitions

- 2 For the purpose of this Policy:
 - (a) **Gifts** means items to be given to both individuals and groups from outside the organization. Gifts should be appropriate and reflect the communities, culture and heritage of the Municipality and be readily identifiable as being from the Municipality. This can include items such as craft items, locally produced alcohol beverages and other items as per OP-022 Municipal Gifts & Promotional Items. The municipality will purchase and manage a stock of items to be used as Municipal gifts and promotional purposes.
 - (b) **Hospitality** means expenses incurred while hosting/entertaining individuals from outside of the municipality for conducting business activities including receptions, ceremonies, conferences, business meetings, performances or other group events.
 - (c) **Allowable expenses** may include meals, non-alcoholic beverages, room/venue rental or other event-related items.

Purpose

- 3 (1) To provide direction and guidance to Council and the Chief Administrative Officer (CAO) or designate with respect to the appropriate expenditure of hospitality expenses that support the Municipality's objectives.

- (2) To ensure gifts and hospitality are offered in an accountable, economical and consistent manner in the facilitation of government business and/or for reasons of diplomacy, protocol, recognition, business development or promotional advocacy.
- (3) To provide guidelines for the distribution of items to be used as municipal gifts and for promotional purposes.
- (4) To ensure taxpayers' dollars are used prudently and responsibly with a focus on accountability and transparency.

Application

- 4 (1) This policy applies to Council members and staff who incur approved hospitality expenses while conducting Municipal business.
- (2) This policy is not to be used when expensing costs associated with Municipal employee ONLY events. (i.e. retirement functions, staff appreciation events).

Policy Directives

Offering of Gifts and Hospitality

- 5 (1) Gifts are most often given by the Mayor, a Councillor or a senior staff member, however, any staff member can submit a request for an item. The procedure for requesting a gift and the guidelines to be used when selecting an appropriate gift are outlined in OP-022 Municipal Gifts and Promotional Items.
- (2) Hospitality may be offered under the following circumstance:
 - (a) hosting dignitaries;
 - (b) engaging in official public matters with representatives from other governments;
 - (c) hosting business, industry/labour leaders or other community leaders;
 - (d) sponsoring conferences;
 - (e) hosting ceremonies/recognition events; or
 - (f) other official functions, as approved by the Council or the CAO or designate.

Acceptance of Gifts, Hospitality and Other Benefits

- 6 (1) No Council member or municipal employee shall show favouritism or bias toward any vendor, contractor, or others doing business with MODL and shall not accept any gifts, hospitality or other benefits that may have a real, apparent or potential influence on their objectivity in carrying out their official duties and responsibilities or that may place them under obligation to the donor.

- (2) The acceptance of gifts, hospitality and other benefits is permissible if they are infrequent and of minimal value, within the normal standards of courtesy or protocol, arise out of activities or events related to their official duties, and do not compromise or appear to compromise their integrity or the integrity of MODL.
- (3) Gifts, tokens of hospitality or other benefits that are accepted shall be declared in a register kept indicating the gift, date and the name of the recipient and donor. This register will be maintained by the Clerk's office.

Authorization

- 7 (1) All hospitality events require prior authorization (see Appendix "A"). and must be completed and submitted to the CAO or designate for approval.

Any request for prior authorization for hospitality events requires the following detail:

- (a) rationale/purpose of event;
 - (b) estimated numbers of attendees and their respective affiliations; and
 - (c) estimated itemized costs including gratuities and supplementary expenses.
- (2) In authorizing the hospitality event, the request should be reviewed in consideration of the value and benefit of the proposed event in relation to its cost.
- (3) A copy of the signed prior authorization must accompany the claim for reimbursement.
- (4) 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. The claim for reimbursement must contain itemized receipts.

Business Meetings

- 9 (1) Under this Policy, the Mayor, CAO, Deputy CAO and Director of Economic Development will have the authority to expend funds in a municipally beneficial prudent manner; and, from time to time, other Department Managers approved by the CAO or designate, and a Councillor as approved by Council.

Serving of Alcohol and Cannabis Products

- 10 (1) No alcoholic beverages or cannabis products will be provided at municipal hospitality events.

Accountabilities

- 11 (1) Mayor and Councillors are responsible for:
 - (a) overseeing hospitality-related expenses for the CAO or designate, hospitality expenses that are approved by the CAO or designate, and approving hospitality events that Council sees as warranted under this Policy;
 - (b) ensuring compliance with the requirements established by this Policy with respect to hospitality expenses;
 - (c) consistent application of this Policy.
- (2) CAO or designate is responsible for:
 - (a) Using discretion to make decisions and choices with some degree of flexibility while maintaining compliance with this Policy. When exercising discretion, the following factors must be considered:
 - i) Ensuring all appropriate hospitality events and related expenses that are initiated or incurred by a Department Manager are approved.
 - ii) Approving appropriate requests and claims for hospitality-related expenses for Department Managers and in instances where the actual cost of the hospitality event exceeds the estimated cost.
 - (b) When a situation arises and discretion needs to be exercised, the CAO or designate should consider whether the request is:
 - i) able to stand up to scrutiny by auditors and members of the public;
 - ii) properly explained and documented;
 - iii) fair and equitable;
 - iv) reasonable; and
 - v) appropriate
- (3) Employees are responsible for acting in accordance with this Policy.
- (4) The Finance Department is responsible for:
 - (a) providing advice and assistance to Council, CAO or designate regarding the application of this Policy;
 - (b) monitoring hospitality expenses for appropriate usage and consistency with Policy directives; and
 - (c) processing hospitality-related claims.

Claims for Reimbursement of Hospitality Expenses

- 11 (1) Claims for reimbursement of hospitality expenses must be submitted on the form provided and must be signed by the claimant.
- (2) Hospitality expense claims must include the following:
 - (a) A copy of the signed prior authorization form for the hospitality event for which the expense was incurred; and,
 - (b) A detailed itemized receipt for the expense.
- (3) In instances where prior approval of the hospitality event was not possible, the expense claim must provide the information requested on the Request and Approval to Incur Hospitality Expenses Form and an explanation of why prior approval was not possible.
- (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.
- (5) Hospitality expenses incurred by one individual on behalf of another must be attributed to the individual for who those expenses were incurred.
- (6) No hospitality expense claim will be paid unless the claim is approved for payment by the signing authority. Before approving an expense claim, the 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; and,
 - (d) The expenses claimed have appropriate justification.
- (7) In considering a hospitality expense claim for payment, the signing authority may request additional explanations, documentation or justification from the claimant, and may refuse to approve any claim or expense that did not have prior authorization and that the signing authority decides is unreasonable or not in compliance with this Policy.
- (8) The use of petty cash to pay a hospitality expense claim is prohibited.

Monitoring

- 12 The Finance Department will monitor the effectiveness and consistent application of this Policy including coordinating periodic reviews of hospitality expenses to ensure compliance. The CAO or designate will provide documentation deemed necessary to conduct any reviews of this Policy.

Reporting of Expenses

Gift Expenses

- 13 Gift expenses are tracked through the budget process.

Hospitality Expenses

- 14 In accordance with Section 65A of the **Municipal Government Act**, Hospitality Expense Reports must be completed within 90 days of the end of each fiscal quarter and must be posted on the Municipal Website quarterly and an annual summary report of expenses must be filed with the Minister of Municipal Affairs by September 30 of each year.

Review Requirements

- 15 (1) The Municipality's Audit Committee must review the hospitality annual summary report by October 31 of each year.
- (2) Council will review this Policy by January 31 immediately following a regular election held under the **Municipal Elections Act** and make a motion to re-adopt or amend the Policy.

Policy Adoption	
Date of Original Passage	January 26, 2021
Date of Notice of Intent to Amend and Re-Adopt	January 21, 2025
Date of Council Approval	January 28, 2025
Date of Effective Date (if different from approval date)	
I certify that this Policy 077 was re-adopted by Municipal Council as indicated above.	
Signature of Municipal Clerk 	Date January 28, 2025

Version	Amendment Description	Approval Date
Original V1	Gifts & Hospitality	June 25, 2019
V2	Re-adopted	January 26, 2021
V3 – amended and re-adopted	Amended, Accessible formatting and clear language, remove addition of room/venue under allowable expenses, new clause 4(2) clarification on employee only events, and 7(4) itemized receipt requirements.	January 28, 2025