

Gift and Hospitality Policy

Purpose:

- To ensure hospitality is offered in a reasonable, prudent, economic, and consistent manner with a focus on accountability and transparency
- To provide direction and guidance with respect to eligible and appropriate expensing of gifts and hospitality to support fmi*igf business.

Scope:

Gifts and Hospitality include expenditures for business meals and entertainment expenses that are the necessary result of the normal business operations of fmi*igf (Corporation). In each case, the business meal or event must be appropriate to the situation and the nature of the business of fmi*igf. Prudent business judgment and moderation, coupled with disciplined budgetary control, dictate whom these functions serve, the frequency of events, and the reasonableness of related costs.

The Board is responsible for the overall authorization and monitoring of the associated level of expenditure within the context of the approved budget.

This policy has been prepared to promote discretion in spending and expenses related to business meals, hospitality, gifts and entertainment and to promote compliance with all relevant regulations and risks governing this area.

This policy applies to all staff and volunteers of the Corporation, in all locations, while attending Corporation-sponsored events, or while acting on behalf of the Corporation.

Definitions:

"Board" is the Board of Directors of FMI at either the national level, or chapter level, all of which are Volunteers.

"Business Meal" typically refers to a meal where at least one fmi*igf staff and one or more non-fmi*igf individuals are in attendance, it may also refer to where Board Members and/or staff are in attendance. A Business Meal is a meal with a clearly substantiated business purpose and is associated with the active conduct of fmi*igf business¹.

"Hospitality" refers to the provision of food and/or beverages, at the Corporation's expense, to persons who are not engaged in work for the Corporation and/or who are actual or prospective volunteers, patrons, clients, staff or sponsors.

¹ Meals for fmi*igf business travel are separately defined in the Travel Policy.

“Gifts” and “Entertainment” refer to the receipt of anything of value or personal benefit which includes but is not limited to: meals, beverages, gifts, event tickets, favours and cash equivalents (gift cards).

“Staff” are defined as all employees and contractors of the Corporation.

“Volunteers” are defined as all elected Board Members and other persons who freely undertake tasks for the Corporation on a voluntary basis.

Hospitality and Business Meals:

- fmi*igf recognizes that Hospitality expenditures may be incurred in carrying out its business and will cover expenses incurred by its Staff and Board in support of fmi*igf’s mission, provided the expenses are:
 - Authorized – pre-approved by an appropriate delegated fmi*igf authority;
 - Reasonable – deemed to be based on sound judgement, prudence and moderation;
 - Appropriately documented – includes original receipts and records indicating the number of attendees and a statement of justification for the expenditure;
 - Necessary for the effective conduct of fmi*igf business, including potential future business; and
 - A matter of courtesy, diplomacy or protocol.
- fmi*igf permits reasonable and necessary Business Meal expenses involving Staff, fmi*igf members, vendors, Volunteers and other external parties for the purpose of conducting substantial and bona fide fmi*igf business. Business Meal expenses may be incurred where:
 - Staff are required to participate in operations, business meetings, training or similar events that extend through meal times and/or beyond normal working hours, or situations where there are no nearby or appropriate facilities to obtain refreshments or meals, or when deemed to be more effective and efficient not to break up the meeting in order to individually source food.;
 - Staff are required to be part of an event/activity, or to participate in a hosted conference, which includes participants that are not fmi*igf Staff and to whom Hospitality will be provided as a matter of courtesy, diplomacy or protocol.
- The frequency of such business meetings must be reasonable and may include:
 - Breakfast and dinner meetings which are necessary for the conduct of fmi*igf business;

- Formally-organized luncheon meetings which are necessary to carry out the business of official committees appointed by fmi*igf; or,
- Meetings of an organized work group of Staff that require the work of the group to progress through a normal mealtime.
- When fmi*igf requirements necessitate overtime work of two hours or more after normal business hours, management may reimburse Staff for reasonable meal costs incurred with proof of same confirmed with an original receipt and in accordance with the [National Joint Council Directive on Hospitality](#)
- The individual incurring the expense(s) is personally responsible for ensuring that they follow this policy and other fmi*igf guidelines. Should expenses exceed the reasonable limits or budget or not be in compliance with this or other fmi*igf policies, reimbursement may be denied.

Alcohol-related expenses incurred during business-related meals

Position	Approval Authority
National Board Member	National Chair
Chapter Board Member	Chapter President
fmi*igf Staff	CEO

- It is expected that Hospitality will only be extended in an economical and appropriate way when it clearly is intended to facilitate fmi*igf business.
- Generally, expenses related to alcoholic beverages incurred by Staff or members of the Board will not be charged to Corporation-issued credit cards or reimbursed, unless it is part of "Hospitality", as described above.
- In accordance with the Corporation's established practices, all alcohol-related expenses incurred by Board members must receive pre-approval from the Chair, or his/her delegate. Chapter Presidents approve for their operations. The CEO approves for the National Office and seeks the Chair or delegate's approval when the CEO would benefit.

Corporation-sponsored functions/events

- Alcohol may be offered at officially approved functions/events. Organizers of these events are required to put in place and adhere strictly to the terms of any relevant alcohol licence requirements, such as securing a permit where necessary.
- For all Corporation events where alcoholic beverages will be served, the organizers of the event are required to enter into a contract with the third party on whose premises the event will take place (whether a hotel, conference venue, or other).

- This contract must specifically include an indemnity agreement in favour of fmi*igf, protecting it against potential liability for risks associated with the vendor’s service provision of alcohol at the event:
 - Refer to the fmi*igf Indemnity Agreement APPENDIX A
- In a situation where the venue is unwilling to indemnify fmi*igf, exemption approval must be sought:

Event Organiser	Approval Authority and obligation to report in order to exempt the Indemnity requirement
Chapter	Chapter President, with report to the Chapter Board
fmi*igf National Staff	CEO, with report to the National Board

- Furthermore, the following core expectations regarding the safe and responsible consumption of alcoholic beverages must be observed during these events:
 - Staff and Volunteers have an obligation to be the model of professionalism when representing the Corporation
 - Staff and Volunteers are required to monitor and limit their own consumption of alcohol;
 - Staff and Volunteers will not be offered more than two (2) drink tickets per individual per event, and are not to take drink tickets from others who may not be using all of their own tickets;
 - Staff and Volunteers are expected to behave responsibly while at Corporation functions/events and at any time when they are representing the Corporation;
 - Staff and Volunteers must not perform their duties if their performance or judgment could be impaired by consumption of any form of intoxicant;
 - Staff and Volunteers are expected to behave in accordance with usual business standards and the Code of Conduct;
 - Staff and Volunteers must comply with and obey all applicable laws;
 - If overconsumption has occurred, the Staff and/or Volunteers will be asked to leave and provided with a safe way to their place of accommodation at the Corporation’s expense.
- At all Corporation events at which alcoholic beverages are served, where no other means are available to ensure their safety and well-being, Staff and Volunteers can request transportation from the Corporation (or reimbursement for transport-related costs) from the event to their place of accommodation. Every reasonable effort must be made to ensure those under the influence are provided a safe transportation option.

Gifts and Entertainment:

- Everyone who acts on behalf of the Corporation is responsible to protect fmi*igf reputation against allegations of improper behaviour. Corporate representatives must exercise care when offering or accepting gifts and entertainment in order to ensure that business decisions are made with integrity, comply with applicable laws and are in the best interest of the organization.
- Gifts and entertainment may only be offered or accepted when:
 - They are reasonable;
 - They are occasional;
 - They are of modest/nominal value;
 - They are neither intended nor likely to be perceived to improperly influence business decisions;
 - They would not create a real or potential conflict of interest; and,
 - They are recorded accurately and transparently in Corporate reporting.
- Gifts or entertainment which offer a personal benefit value not readily available to the normal person **must** first be disclosed before being offered or accepted.
 - If to or from Staff, the staff member would engage the CEO,
 - National Board members would approach the Chair,
 - If to/by the National Chair, the Chair would approach the Treasurer & CEO together,
 - At the Chapter level, volunteers would approach their President,
 - If offered to/by the President, the President would approach the National Board Chair & CEO together.

Position Offering or Receiving	Approval Authority
National Board Member	National Chair
National Chair	Treasurer & CEO
Chapter Board Member	Chapter President
Chapter President	National Chair & CEO
fmi*igf Staff	CEO

Procedures:

Please see corresponding Meals, Gifts and Hospitality Guidelines

Consequences of breaches to this policy

fmi*igf's goal is to ensure that there is never a perception of impropriety as a result of the conduct of anyone operating on its behalf. Staff and Volunteers are encouraged to raise concerns or potential breaches of this Policy with the Chief Executive Officer, or the National Chair if warranted.

A breach of any of the provisions of this Policy may constitute a disciplinary offence which could lead to termination of employment for Staff of the Corporation. Breaches by Volunteers could lead to the suspension or termination of any relevant contract or relationship with fmi*igf.

APPENDIX A

INDEMNIFICATION CLAUSE FOR VENUE & SERVICES CONTRACTS

Introduction:

The purpose of this consultation with CAC is to review the newly proposed Gifts and Hospitality Policy, and consult on its potential application in a Chapter environment.

As part of the regular Risk Review undertaken by the National Board, it was noted that when any fmi*igf entity is contracting for the use of a venue and relates services, the articulation of indemnification in such contracts may not always include the desired level of protection in favor of fmi*igf's interests.

The newly drafted Gifts and Hospitality Policy includes a new reference outlining how to manage arrangements when service of alcohol will be provided at official fmi*igf functions. Relatedly, it includes a new Indemnification provision which is intended to ensure we better manage legal risk related to that, and more generally reduce overall liability risk to fmi*igf.

This is of utmost concern to the National Board. Continuing to facilitate fmi*igf events regardless of where they are being held in Canada is top of mind, while acknowledging legal risk and putting measures in place to better manage its impacts are also paramount.

Indemnification Background:

Most contracts issued by an event vendor are designed to protect the venue from issues arising by fmi*igf's use of their facility, including the use by those invited to the event by fmi*igf. Most likely do not also include explicit indemnification in favor of fmi*igf. National Office Legal Counsel has reviewed a typical vendor contract and proposed an fmi*igf indemnification clause addition which should be introduced into discussions with a vendor when reviewing their contract for facility and services.

Effectively, this indemnification clause seeks to further clarify the Indemnity Section offered by a venue. It does not remove any of the benefits they would propose, it does however seek to separate the indemnification clauses (one per party) offering a specific clause in favour of FMI. Specifically, it adds a subclause for use when the contract includes the provision of alcohol since we would be contracting the hotel/conference venue to be responsible for managing and controlling that service, with a second subclause always to be used which speaks to any other issues that may arise on the grounds of the hotel (for which the hotel would be responsible).

It is important to note, that as part of contract discussions, it is not at all unusual for the client to seek increased indemnification from the vendor. Most any professional venue operator will not be surprised to see it put forward by fmi*igf, but nonetheless it is incumbent on fmi*igf leads to take that step to propose it to the venue authority during the contract discussions.

The legal language as drafted should not be edited for risk of unintentionally removing the legal clarity it affords fmi*igf. However, since each contract will have differing ways in which it refers to what it calls the contractor and contractee, feel free to adapt those references in the proposed clause below so that they are consistent with the overall agreement being

negotiated. In the example below, the contractor is the “Hotel” and fmi*igf is the contractee or “Client”.

The Board has approved the use of this clause in all relevant future contracts led by National Office, and it has already been successfully put forward and included in the now signed venue and services contract for PSWM23 in Regina. The vendor had no issue with its inclusion at all!

In the new Gifts and Hospitality Policy, there is also clarification for what to do if a vendor refuses the added clause, or even an amended version of that clause, and yet the Chapter still wishes to contract with that supplier.

Today:

The objective for today’s consultation is to walk through the Gifts and Hospitality Policy and, in specific detail, to discuss the need for and how to employ the new indemnification provision included below.

Once consultation is complete, it is intended that Chapters would also adopt the new policy and begin applying it (subject to any required modifications)

INDEMNIFICATION (A meeting facility vendor (hotel or conference facility) will always include some similar variation of indemnification in their contract that is primarily designed to hold them harmless for actions taken by fmi*igf (Client) or those it invited to the venue when using their facility).

Typical Example Venue Indemnity Clause (part A – limited to being in favor of the Venue): The Client agrees to defend, indemnify and hold harmless the Hotel and its respective agents, employees, directors and officers from and against all claims, actions or causes of action, liabilities, damages, costs, and expenses including reasonable attorneys’ fees and costs arising from the defense of any claim, action, cause of action or liabilities arising out of or resulting from any act taken or committed by the Client pursuant to the performance of its obligations hereunder.

It is highly unlikely they would also provide a clause that seeks to protect the interest of fmi*igf. The following clause and sub-clauses are for additional inclusion when a Chapter is going through the process of contracting for use of space and related services. The first sub-clause is intended for inclusion when the Chapter is contracting the venue to serve alcohol; if no service provision of alcohol is involved, that sub-clause can be removed.

(additional clarification clause – limited to being in favor of FMI) The Hotel agrees to defend, indemnify and hold harmless the Client and its affiliates, and each of their respective agents, employees, directors and officers from and against all claims, actions or causes of action, liabilities, damages, costs, and expenses including reasonable attorneys’ fees and costs arising from the defense of any claim, action, cause of action or liabilities arising out of or resulting from:

- any act taken or committed by the Hotel pursuant to the performance of its obligations hereunder, including any breach of applicable liquor

laws and the regulations made thereunder and the service of liquor generally, and

- any negligence, breach of statutory or other duty of care, including without limitation, under the applicable occupier's liability laws.

Typical Example Venue Indemnity Clause (part B - conclusion): This Agreement will enure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, personal representatives, successors, and permitted assigns. This Agreement, together with the schedule of events, all terms and conditions set out herein, any addendum, and the Hotel policies and procedures, constitute the entire agreement between the parties.