

# PERQUISITIES POLICY

## POLICY STATEMENT

This policy sets out provisions for perquisites that are allowable and those that are not. A perquisite refers to a privilege that is provided to an individual or to a group of individuals, provides a personal benefit, and is not generally available to others. The requirements set out in this document raise the level of accountability and transparency for designated broader public sector (BPS) organizations, contributing to greater alignment with the high standards expected in ministries and agencies of the Government of Ontario.

### Scope

The rules apply to any person in a designated BPS organization, including the following: appointees, board members, elected officials (e.g. school trustees), and employees.

This directive does not apply to the following: provisions of collective agreements, insured benefits, items generally available on a non-discriminatory basis for all or most employees (e.g. an employee assistance program, pension plans), health and safety requirements (e.g. provision of work boots), employment accommodations made for human rights and/or accessibility considerations (e.g. special workstations, work hours, religious holidays), expenses covered under an organization's rules on travel, meals and hospitality (established in accordance with the BPS Expenses Directive).

### Definitions

The term perquisites or perks, refers to a privilege that is provided to an individual or to a group of individuals, provides a personal benefit, and is not generally available to others.

A perquisite is not allowable if it is not a business-related requirement. To be allowable, a perquisite must be a business-related requirement for the effective performance of an individual's job.

For purposes of this policy and Supply Chain Code of Ethics, a perquisite has a dollar value greater than \$25.00.

## PRINCIPLES

This directive is based on three key principles.

### A) Accountability

Organizations are accountable for their use of public funds. All expenditures support business objectives.

**B) Transparency**

Organizations are transparent to all stakeholders. The rules for perquisites are clear and easily understood.

**C) Value for Money**

Taxpayer dollars are used prudently and responsibly.

**REQUIREMENTS**

Every designated BPS organization must establish rules with respect to perquisites. These rules must cover all individuals in the organization.

Rules on perquisites must set out that the following perquisites are not allowed under any circumstance: club memberships for personal recreation or socializing purposes, such as fitness clubs, golf clubs or social clubs, seasons tickets to cultural or sporting events, clothing allowances not related to health and safety or special job requirements, access to private health clinics – medical services outside those provided by the provincial health care system or by the employer’s group insured benefit plans, professional advisory services for personal matters, such as tax or estate planning.

These privileges cannot be provided by any means, including: an offer of employment letter, as a promise of a benefit, an employment contract, or a reimbursement of an expense.

Rules on perquisites must include an accountability framework to ensure that there is appropriate governance, and that everyone understands who in the organization has the authority for approvals. The approval authority for an allowable perquisite should be at a high level within the organization.

Approvals must be in accordance with Signing Authority practices:

<b>Position</b>	<b>Authorization</b>
Board Chair	CFO
Board Member	Board Chair
CEO	Board Chair
CFO or COO	CEO
Director	CFO or COO
Manager	CFO or COO

Front-line staff	CFO or COO
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Rules on perquisites must require that good record-keeping practices be maintained for verification and audit purposes.