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# CN I&T Vendors –Travel and Expense Policy and Guidelines for Consultants

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The following document serves as CN's formal Travel and Expense Policy for all I&T Consultants. For the purpose of this document, the term "Consultant" applies to any consultant, Supplier or Supplier employees and contractors. The Policies and Guidelines outlined in this document must be followed at all times by CN's Contingent Workforce and all other Consultants' that are not governed by the terms of a separately negotiated SOW.

## **EXPENSES (Travel and others)**

All expenses must be pre-approved by a CN permanent hiring manager and will be compensated in accordance with the following terms:

- CN will only reimburse the Consultant for actual, ordinary, necessary and reasonable travel and expense costs. The reasonableness of any expense shall be determined by CN in its sole and complete discretion.
- CN and the Consultant agree that any travel and expenses incurred must be mutually discussed and pre-approved in advance. The Consultant shall not submit any amount for reimbursement that exceeds the previously authorized limits. Exceptions will be reviewed and approved only by individuals with the appropriate authority.
- No "per diems" or other daily allowances are permitted unless specifically indicated on CN approved SOW. Evidence of expenditure (e.g., original detailed receipt) must be retained by the Consultant for any individual expenditure and must be provided to CN upon request.
- CN Travel is our designated travel agency and must be used, unless otherwise agreed by CN.

### **TRAVEL EXPENSES:**

#### ***FLIGHTS***

- CN Travel will book travel at the lowest logical airfare (LLA).
- Airfare will be compensated based on reasonable charges. Economy class must be selected (or equivalent); where no non-stop flight is available, the LLA will be the lowest priced connecting flight that does not increase the total travel time by more than one hour over the requested connecting flight.
- Bookings for preferred seating or last-minute bookings will not be accepted or compensated unless pre-approved by an authorized party.
- For individual flight segments lasting six hours or more (excluding waiting or transferring time), CN I&T Consultants may fly business class. For all flights under six hours, Economy class must be selected.
- Air Travel is prohibited between Montreal and the following cities: Ottawa, ON and Quebec City, QC.

- CN will not reimburse any additional costs related to the administration of frequent flyer programs or any other benefits.
- Any refunds (cash refunds, corporate credit card refunds and airline vouchers) received from an airline for a business trip paid by CN, must be credited back to CN.
- Reservations should be made as far in advance as possible (i.e., at least two weeks prior to travel). Non-refundable tickets should be utilized whenever possible. Non-refundable tickets or applicable change fees will not be reimbursed if a trip is changed or cancelled and the ticket cannot be reused for CN-related business. Lost ticket application fees, extra leg-room fees, and charges for travel and luggage insurance are also not eligible for reimbursement. The Consultant may claim reasonable baggage fees for one bag only.

## ***RAIL TRAVEL***

### **Class of Service, Domestic or International is as follows:**

- Economy (or equivalent): trip that is six (6) hours or less.
- Business class: trip that is more than six (6) hours.
- Tickets for domestic Rail travel should be purchased at the point of departure.
- When booking travel on AMTRAK or Via Rail Canada, the Consultant must book reservations at least three (3) days in advance (when possible) and do so directly with the rail carrier.
- For tickets with Via Rail Canada, the Consultant can use CN's corporate rate.

### **Ground Transportation**

- Consultants should use the most cost-effective mode of transportation for their destination, given the safety conditions for the particular location. Shuttle, bus, taxi and car rentals are all eligible expenses for reimbursement.
- An intermediate/mid-size car is the standard if a rental car is necessary and approved by the CN Manager.
- Insurance costs are not a reimbursable expense. It is the Consultant's responsibility to obtain and maintain appropriate levels of automobile insurance. Credit cards typically carry insurance when used for paying for the rental car. If this is not possible, it is the Consultant's responsibility to ensure they have the appropriate coverage through alternate means.
- Rental cars should be fully refuelled prior to return.
- Parking, taxis, gas and toll expenses will be reimbursed to the extent that they are necessary and reasonable.
- Consultants cannot claim for traffic violations or towing charges.

- Car service is prohibited.
- Mileage rate of 0.35\$/km will be paid to Consultants using their own vehicle for eligible travel approved by a CN Manager.

<b>Driven Mileage Reimbursement Table</b>	
<b>Region</b>	<b>Payment</b>
<b>WEST</b> <i>(west of Thunder Bay ON)</i>	\$0.326 per km for the first 30,000 km \$0.237 per additional km accumulated in a calendar year
<b>EAST</b>	\$0.359 per km for the first 30,000 km \$0.257 per additional km accumulated in a calendar year

*Rates include a temporary surcharge of \$0.07 per km in the East and \$0.06 per km in the West, to compensate for the increased cost of owning and operating an automobile.*

### **LODGING**

- Reservations must be made through CN Travel.
- CN Travel will book accommodations at CN preferred hotels to secure best rates.
- Reimbursement for overnight lodging will be provided only if the overnight stay is a CN business-related requirement and specifically pre-approved by the CN Manager. Consultants are to use standard single hotel accommodations at the prevailing commercial rates within a reasonable distance from the destination location.
- Pre-approval by a CN Manager is mandatory prior to reserving for lodging over \$200 per night. The use of high-priced rooms, suites, executive floor or concierge level is not permitted. Non-refundable lodging commitments, no-show charges or charges incurred by failing to cancel unused hotel reservations or applicable change fees are also not eligible for reimbursement.
- In cases where alternate accommodations would make more sense from a financial standpoint (such as an apartment for long-term stay), it is up to the CN approving Manager to assume these expenses.

### **MEALS**

- CN will reimburse up to \$65 per day (CDN/US) for meals including tax and tip. In Canada and the U.S., tipping up to 15% is warranted for good service up to a maximum of 20% for exceptional service. For non-Canadian and U.S. locations, tipping should be calculated in accordance with reasonable and customary practices.

- If a hotel offers its guests a complimentary breakfast, additional breakfast expenses incurred by the Consultant will not be reimbursed.
- Expenses should not include meals for more than one person and must not include expenses for a CN employee.
- Meal expenses (including tax and tip) must be submitted with a fully itemized receipt. All submitted receipts must be clear and legible.
- Alcoholic beverages cannot be claimed.
- Written CN Manager approval is required for meals totalling more than \$65 per day.

### ***DRY CLEANING***

- Consultants are eligible for dry cleaning compensation after 7 days of consecutive travel. Reasonable charges will be compensated and must be accompanied by the invoice.

### ***TELECOMMUNICATION CHARGES***

- To ensure compensation of telecommunication fees, the best possible rate for long-distance and roaming fees must be arranged with the Consultant's mobile provider.

## **OTHER EXPENSES**

### ***TIME REPORTING***

- Travel time for consultants will be compensated when said travel is expressly requested by CN for valid business reasons (e.g. business meeting in Homewood for consultant living outside of the area or site visit to various CN locations). When travelling, time will be paid at the CN IT consultant's hourly rate.
- Travel time is from origin (e.g. airport, train station, CN Office, but not home location) to destination (e.g. hotel or CN office). Consultants should report hours of travel time using standard time entry.
- Any other travel time will only be compensated if specifically pre-approved by a CN I&T Senior Director for each situation (e.g. for specific consultants on specific projects, not overall). To support audit requirements, a copy of the written approval must be forwarded to [ITWFM@cn.ca](mailto:ITWFM@cn.ca).
  - As an example, if a consultant travels from another city (ex: Ottawa (his home town) to Montreal) – CN would not pay unless pre-approved by a Senior Director or specified in the SOW.

### ***TRAINING (SECTION SPECIFIC TO CN I&T CONTINGENT WORKFORCE)***

- Suppliers are responsible for providing contingent workers who are trained and qualified to perform the specified scope of work. As such, CN training of contingent workforce should generally be avoided.
- CN may only provide training to contingent workers that is CN-specific, relevant to the specific scope of work, necessary to perform the work in question and unavailable from all other sources.
- In the exceptional circumstances when training of contingent workers is justified, the sponsor should ensure that they receive this training as a separate group and the training must be specific for them.
- When CN managers allow contingent workers to attend a course per the principles shown here, they must notify the course owner to ensure that the relevant content adjustments are made if applicable.
- It is the CN manager's responsibility to check the training needs of their contingent workforce and ensure compliance in accordance with the above principles.

### **INSURANCE**

- All travel insurance for work abroad (in the US for example) is the responsibility of the Consultant; these costs will not be compensated unless there is prior written approval by CN.

### **OTHER**

The CN Manager should authorize all other relevant business expenses prior to incurring such costs; otherwise, such expenses will not be reimbursed. Examples of items that cannot be expensed include, but are not limited to the following:

- Car washes, repairs, towing and other types of maintenance
- Fuel charges for personal vehicles
- Late fees of any kind
- Medicine of any type (except if part of a requirement for non-U.S. or non-Canadian travel)
- Alcohol or other expenses of a personal nature
- Traffic violations, parking tickets and related court costs
- Unexplained, excessive or unreasonable expenses

### **INVOICING**

- All invoices must be accompanied with all relevant receipts.
- All Consultants that are registered for Canadian or Provincial Sales Taxes are expected to exclude the recoverable tax portion when invoicing CN for travel expenses according to the guidelines provided in the **INSTRUCTION FOR CONSULTANT TRAVEL EXPENSES** job aid and the appropriate **TEMPLATE** based on the province of submission. These documents are available on the [CN Supplier Portal](#).

- A vendor may submit an invoice in US or Canadian dollars; however if it includes a conversion of currency then proof of exchange rate (e.g. credit card statement) must be submitted.
- All Travel reservations and expenses must be made using the Consultants own Credit Card.
- All submission of expenses claims must be submitted within **60 days** of the date of the expenditure and prior to the fiscal year end cut off. Any expenses submitted past the accepted timeframe may not be compensated and an explanation indicating reasons for the delay in submission should accompany the request for compensation.
- Any other miscellaneous items needs prior written approval by a CN Manager.

#### ***INVOICING INQUIRIES***

- All inquiries regarding Consultant time entry (hours worked/paid) should be addressed to [ITWFM@cn.ca](mailto:ITWFM@cn.ca). Inquiries regarding Consultant Expenses should be addressed to the assigned CN Manager unless there are disputes and/or delay in payments. In these cases, please contact [ITWFM@CN.CA](mailto:ITWFM@CN.CA).