



City of St. John's Corporate and Operational Policy

Policy: 03-11-08 Travel and Mileage Reimbursement Policy

Status:

Issued By: Human Resources

Revision No: 6

Revision Date: 2016/09/12

Date of Original Council

Approval: 1999/04/20

Rescind Date:

Index: 03 Human Resources

Section: 11 Travel

Title: 08 Travel and Mileage Reimbursement Policy

Purpose

This policy addresses the travel and expense protocols by which employees and council will be governed when attending to City business. Its intent is to provide the following:

- Clarity on the City of St. John's reimbursement process for employee/council travel expenses.
- Use of personal vehicles for City business and reimbursement for the same

Policy Statement

This policy addresses the travel and expense protocols by which employees and council will be governed when attending to City business. Its intent is to provide the following:

- Clarity on the City of St. John's reimbursement process for employee/council travel expenses.
- Use of personal vehicles for City business and reimbursement for the same.

The City of St. John's will reimburse employees for reasonable expenses on pre-approved business. This includes, for example, travel fares, accommodations, meals, mileages, etc. incurred on City business. Such reimbursement will not include the distance normally driven by the employee between their residence and their place of work. It is expected that employees act responsibly and professionally when incurring and submitting costs.

Reimbursement of reasonable expenses incurred while on City of St. John's business do not constitute income or other compensation that would open the way for personal gain.

1.1 Periodically, it may be necessary for individual employees to attend or participate in activities outside normal business work locations. Attendance and coverage of expenses incurred at such activities may be either at the request of the employer or employee and must be preauthorized.

The City of St. John's will reimburse employees (elected officials and employees) for all authorized travel expenses incurred within the limits and guidelines established in this policy.

1.1.1. Approvals

1.1.1.1 Travel – All travel must obtain the following approvals or authorization:

- Council shall authorize the travel of the members of Council and the City Manager.
- Travel by all other employees must have been budgeted and must be specifically approved by the City Manager or designate prior to incurring any cost relating to said travel and/or to the actual date of departure, whichever is earliest.
- Any cost exceeding the approved departmental travel budget must be approved by the City Manager.

1.1.1.2 Expenses - All travel expenses require the following authorizations before payout:

- The Deputy City Manager, Financial Management or designate shall authorize the travel costs and expenses of the members of council, and City Manager;
- The City Manager or designate will authorize the travel costs and expenses of the Department Heads; and
- Department Heads or designate will authorize the travel costs and expenses of departmental employees.
- The travel authorization form is authorized by the Deputy City Manager, Financial Management for appropriate payouts post relevant approvals for all employees.

1.1.2. Forms

Employees travelling on City business must complete the required documentation prior and post travel within the time limits specified on the relevant forms.

1.1.3 Travel Status

Employees are considered to be on travel status when they travel for City business outside of normal work locations, from the time they leave their place of residence or normal place of work for the purpose of travelling on City business to the time they return to their place of residence or normal place of work. Travel status does not include the distance normally driven by the employee between their residence and their place of work. The travel status of employees who combine personal business with official duties will not include the period of time the employee is on personal business.

1.1.4 Transportation

The mode of transportation will be at the discretion of the employee travelling, and subject to approval, taking into consideration the destination and ensuring reasonable costs.

1.1.5 Personal Business

An employee travelling on City business may, with the approval of the Department Head, combine personal business with their official duties. However, the claim for expenses will be paid on the basis of the expenses that would have been incurred had the trip been made by the most direct route and most economical mode of travel.

Extra working time required for travel or stopovers to enable personal business will be deducted from vacation leave entitlement. Any employee who combines personal and City business must include calculations and supporting documents showing the most economical mode of travel versus the actual costs.

1.1.6 Accompanied By Spouse

The City will only pay the expenses of an employee of the City of St. John's. If an employee is accompanied by their spouse, the City will pay only those costs incurred by the employee equivalent to the hotel single accommodation rate.

In extraordinary circumstances, the expenses of the spouse of an employee may be reimbursed when authorized by Council as being necessary or desirable for reasons of protocol or public relations.

1.1.7 Foreign Exchange

The City will pay the exchange rate between Canadian funds and the funds of the country in which the expenses were incurred. If the employee travelling does not have documentation to confirm the actual exchange rate, the applicable exchange rate as provided by the Bank of Canada shall be used.

Please see Appendix 1 for further details.

1.2 Personal car usage reimbursements and insurance requirements

1.2.1 If employees use their personal vehicles for city business, mileage will be reimbursed as published by the Division of Human Resources on the City's intranet post approval by their division manager. The City will not be responsible for fuel, maintenance, traffic or parking violations. Such reimbursement will not include the distance normally driven by the employee between their residence and their normal place of work.

1.2.1.1 Mileage for travel from and to employees' residence will be reimbursed if the employee is "required" to attend city related business in addition to and outside of their regular scheduled working hours.

1.2.1.2 Taxi fare reimbursement may be provided where employees need to attend city business and are not required to have a vehicle as a condition of employment

1.2.2 For positions where the City requires individuals to have a personal 4 wheel drive or

equivalent vehicle as a condition of employment, an amount of \$230 monthly vehicle allowance + mileage will be reimbursed. The \$230 will be adjusted annually on Jan 1st based on the average of the applicable components of the published Province of Newfoundland and Labrador Consumer Price Index for transportation published by Statistics Canada for the last 12 months. The department Deputy City Manager will review and approve positions which need a personal 4 wheel drive or equivalent vehicle as a condition of employment. The mileage plus allowance will be processed through payroll and is considered a taxable benefit. If personal usage under the CRA regulations are considered taxable, employees are required to submit personal usage log for calculation of taxable benefit.

1.2.2.1 The vehicle allowance will continue to be paid during all paid leave (vacation, sick leave etc.)

1.2.2.2 The vehicle allowance will be discontinued during Long Term Disability and any Leave Without Pay extending beyond 20 working days. *(This is to be confirmed based on a separate policy note approval)*

1.2.2.3 No vehicle allowance shall be paid to an employee while their driver's license is expired / suspended. Where applicable, these payments will be discontinued effective the date of the expiry / suspension. (See further details in Policy 03-10-10)

1.2.3. Any employee using their personal vehicle for City business shall provide evidence of liability insurance for the business use of their vehicle. Such evidence shall be in writing from the insurer and provided on an annual basis to the Department of Human Resources and is required irrespective of whether a fee is charged for this service.

Employees shall carry a minimum amount of motor vehicle liability insurance (currently \$1,000,000) and are required to advise their insurance company that they will use their vehicle for business use. The additional fee on insurance will be reimbursed up to a maximum of a pre-determined and communicated amount.

Should an employee be involved in an accident while conducting City business, the employee's own insurance shall be considered primary in all instances. In addition, any deductibles payable under such insurance shall be the sole responsibility of the employee

Please see Appendix 2 for further details

1.3 Assignment of City Owned Vehicles to City Employees

In exceptional circumstances, specific preapproved positions will be assigned a City owned vehicle to be used at all times (24hrs) in order to carry out their duties. This will be approved by the City manager or designate.

The employee will be required to complete a daily travel log (mileage reimbursement log Appendix 3) which will indicate the vehicle type and its subsequent usage, or portion thereof. If personal usage under the CRA regulations are considered taxable, employees are required to submit personal usage log for calculation of taxable benefit. This is required at taxable year end (current) or at end of temporary assignment of city vehicle.

Monitoring and Contravention

The monitoring of this policy shall be done as per the responsibilities laid out in section 3 of this

policy.

Any irregularity or fraudulent information submitted by an employee, or any other willful misuse or misappropriation of public funds, may result in disciplinary action upto and including dismissal. Any suspected irregular use of public funds should be brought to the attention of the City Manager for further investigation and follow up disciplinary or legal action.

Application

Application

The policy applies to all employees and council. It covers:

- Authorized, local, national or international travel on City business.
- Expenses related to attendance of employees at conferences, training sessions, and seminars or similar authorized by the City Manager or designate.
- Expenses or allowances related to use of personal vehicles for city business.

This policy will take precedence over any existing Business Unit policies and will be read in reference to applicable legislation. Any travel allowance provisions entrenched in current collective agreement of the City of St. John's shall supersede the relevant provisions found herein.

Responsibilities

Employees and Council

Members of Council, City Manager, Deputy City Managers, Directors, other Executives and Staff are responsible to:

- ensure they are informed of this policy and its contents,
- complete required forms as appropriate; and
- obtain approval of expenses by normal chain of authorization.

In addition, all employees irrespective of position held are responsible to:

- ensure the travel/expenses are approved prior to travel and within budget and that detailed forms and supporting documentation/receipts are provided when required.
- advise the Financial Management Department if any third party reimbursement is involved.
- not authorize their/her own claims.
- attach receipts, and file expense / mileage claims within the stated time periods.
- reimburse the City for advances in excess of expenses paid.
- arrange their own transportation and accommodations, etc. using the designated travel

consultant where one exists.

- where all or some of the expenses incurred on the trip are to be reimbursed by a third party, the employee is responsible for:
 - * the immediate submission of a detailed expense claim to that third party.
 - * request that the third party make any cheque covering reimbursement payable to the City of St. John's.
 - * If the third party inadvertently issues a cheque for reimbursement which is made payable to the employee, the employee must endorse the back of the cheque as "Pay to the City of St. John's" and hand deliver it to the Deputy City Manager, Financial Management or their designate upon receipt.
- ensure they have liability insurance for the business use of their personal vehicle.
- complete and submit the Mileage and Reimbursement log for business use of their personal vehicle on a quarterly basis.
- log ,complete and submit the Mileage and Reimbursement for personal use of their City vehicle assigned on a full time basis as referenced in 1.3 above on an annual basis or at the end of their assignment.
- ensure they have a valid driver's license for the appropriate category and inform their Supervisor in writing in case of expiry/ loss / suspension of license.
- ensure that the Human Resource Division has an updated copy of their driving license and business insurance.
- employees are expected to adhere to City Occupation and Health Safety policies and procedures while conducting City business.

3.2 Management

Managers/Supervisors are responsible to:

- ensure employees reporting to them are aware of and adhere to this Policy
- ensure the travel/expenses are approved prior to travel and within budget and that detailed forms and supporting documentation/receipts are provided when required.
- advise the Financial Management Department if any third party reimbursement is involved.
- provide employees using personal vehicles with a Mileage and Reimbursement log to maintain and submit for reimbursement on a quarterly basis.
- approve reasonable mileage claims for employees on a quarterly basis
- verify that employees using personal vehicles have the appropriate insurance and valid driving license
- ensure the department Deputy City Manager reviews and approves positions which need

a personal 4 wheel drive or equivalent vehicle as a condition of employment.

The responsibility rests with each City Department concerned to ensure that the most practical and economical travel options are selected and that approved departmental budgets are strictly managed.

3.3 Department of Finance

The Department of Finance is responsible to:

- follow up with the claimant and process the submitted documents within the required time frames.
- authorize claims which comply with the policy and reimburse the claims while maintaining records of same. Provide interpretation where the suitability of the rates is questioned or where conflicts arise.
- record and track any third party reimbursements.
- make the necessary HST/GST calculations. Financial Services shall correct general ledger accounts of expenses claimed to facilitate appropriate monitoring and reporting of expenses.
- ensure mileage reimbursements are done only on receipt of approved Mileage payment requisition forms and confirmation from the Human Resources Division
- personal kilometers driven will be considered as a taxable benefit in accordance with The Income Tax Act and Canada Customs and Revenue Agency regulations where the vehicle assigned fits within the definition of an automobile. Payroll will review the information provided by fleet services and action accordingly.
- In cases where individuals are in receipt of a car allowance plus mileage reimbursement, Payroll will follow the relevant CRA regulations and consider this a taxable benefit
- provide Council with a quarterly report on travel reimbursement costs based on the record of expenses paid. The level of detail must be such that anyone looking at the transactions, such as auditors, should be able to understand the purpose of the expenditures.
- advise the employee's Manager and Human Resources Advisor in cases where policy and related procedures are not being followed by the employee despite appropriate reminders.

3.4 Fleet Services

Where employees have been assigned city vehicles for City business under exceptional circumstances (as referenced in 1.3 above) , or where a city vehicle from the fleet is assigned to a specific employee on a long term or exclusive basis, Fleet Services will provide the Department of Financial Services with a summary of travel logs which will contain the :

- a) Division name
- b) Vehicle Number
- c) Employee to whom vehicle is assigned;
- d) Total kilometers recorded for the vehicle;
- e) Total personal kilometers recorded for the vehicle.

- f) Standby charge and operational expense amount.

To facilitate this, employees are required to submit the Mileage and Reimbursement log to the Fleet Division through their immediate supervisor on annual basis or at the end of the term for the City vehicle usage. In instances where there is more than one vehicle being used, a log per vehicle is required. For example, employee issued a vehicle for three months, returns that vehicle and is issued new vehicle.

3.5 Human Resources is responsible to:

- ensure that position descriptions that require a vehicle for city business as a condition of employment have been vetted and approved
- ensure that positions which need 4 wheel drives or equivalent as a condition of employment have been vetted and approved by the department Deputy City Manager.
- ensure that employee information is updated in the Human resource Information System
- ensure that valid driving license and Business Insurance forms that are received from employees are recorded on to the employee's records.
- ensure that mileage claims are verified and that there is a valid licence and business insurance in place before processing reimbursements.
- support department managers when addressing policy violations

Definitions

Employee: For the purposes of this policy, includes all employees of the City of St. John's and members of council.

Council: This comprises of eleven elected citizens consisting of a mayor, deputy mayor, and nine councilors.

Normal place of work: The work location where an employee normally performs the duties of their employment on a daily or regular basis.

Claimant: any individual who seeks reimbursement of an expense or payment of an allowance under this policy.

Business activities: any activities intended to promote and achieve the goals and objectives of the "City of St. John's" municipality.

Designate: Any employee who has been delegated responsibility for specific action. For the purpose of this policy, the designate would be an employee with similar or higher authority OR a committee which has been given responsibility for decisions pertaining to this policy.

Department Head: For the purpose of this policy, the Department Head is any position which would be considered the head of a particular department reporting into the City Manager irrespective of whether the position is a Manager, Director, or Deputy City Manager.

References/Appendix

- Appendix 1- Expenses on travel out of the province or long distances within the province

- Appendix 2 – Mileage Reimbursement for personal vehicles used for City Business within the St John's metro and surrounding areas.
- Appendix 3- Mileage Tracking and Reimbursement form
- Link to The Income Tax Act and Canada Customs and Revenue Agency regulations

Please see attached for the above.



03-11-08 Travel and Mileage Reimbursement policy.pdf

Monitoring and Contravention

Approvals

Finance and Administration Standing Committee Report April 9, 1999; Regular Meeting of Council April 20, 1999; Finance and Administration Standing Committee Report August 27, 1999; Regular Meeting of Council September 7, 1999; Finance and Administration Committee report February 14, 2000; Regular Meeting of Council February 28, 2000. Finance and Administration Standing Committee report - June 8, 2005; Regular Meeting of Council - June 21, 2005; Finance and Administration Standing Committee report – May 17, 2007; Regular Meeting of Council – May 28, 2007; Finance and Administration Standing Committee Report – May 5, 2009; Regular Meeting of Council – May 19, 2009. Finance and Administration Standing Committee Report June 11, 2014; Regular Meeting of Council - June 16, 2014;

- Position Title of Policy Sponsor / owner: Deputy City Manager – Financial Services
- Position Title of Policy writer: HR Advisor- Policy and Program development
- Date of approval from Corporate Policy Committee / Senior Executive Committee / Finance & Administration Committee: September 7, 2016
- Date of approval from St. John's City Council: September 12, 2016

Review Period

Available to Public

- ☒ Yes
- ☐ No