



# City of Leduc Policy

## Policy Title: Employee Reimbursement and Expense Claims

**Policy No:** 12.02:08

**Revision No:** 3

**Supersedes:** Revision 2  
(December 2, 2012)

<b>Authority: (Council or City Manager) City Manager</b>	<b>Approval Date:</b> October 28, 2020
<b>Responsible Division: Finance (See list below)</b>	<b>Effective Date:</b> December 1, 2020
<b>Relevant Legislation: N/A</b>	
<b>Relevant Bylaw and Date(s): N/A</b>	
<b>Relevant Council Resolution: N/A</b>	
<b>Authority's Signature:</b>	

### Policy Objective:

The City of Leduc will reimburse employees for reasonable, legitimate, and necessary expenses incurred while on City business and for training and membership fees to professional organizations.

### Policy:

The Director of Finance is responsible for the development, implementation, monitoring and evaluation of this policy.

All supervisory positions shall be responsible for authorizing employee reimbursements and expense claims for staff reporting to them.

City employees are responsible for adhering to the guidelines set out in this policy and for accurate and timely submission of expense claims. In order to ensure accurate quarterly reporting, all expense claims should be submitted within the quarter the expense occurred.

It is assumed and expected that expenses will be consistent with the best interests of the City and its desire to minimize costs. The authority to incur expenses shall be based on budgetary constraints, guidelines for employees, and at the discretion of the Department Director or General Manager. If unusual expenses are incurred, the employee may be entitled to reimbursement upon production of receipts and approval by the Department Director or General Manager.

Reimbursement of expenses will occur after employees complete and submit an Employee Expense Claim Form. Original, itemized receipts are to be submitted with expense claims unless otherwise noted. Expenses claimed without proper receipts will not be reimbursed (credit card or debit slip is not a proper receipt).

**Reimbursement of employee expenses will be paid through electronic funds transfer (EFT) only.**

A credit card or debit slip is not a proper receipt. However, when submitting an expense claim for an expense to which a tip was applied (meal, taxi etc...) **both** of the following must be attached:

- 1) The itemized receipt which shows the purchase plus GST;
- 2) The receipt from the debit/credit card machine which shows the tip amount.

In the event of a lost receipt, a Lost Receipt Declaration Form must be completed and attached to the expense claim (see *Appendix 1 – Lost Receipt Declaration Form*).

Reimbursement will be in Canadian dollars equivalent to the currency of the country where the expenditures occurred based on the Bank of Canada exchange rate at the date the expense occurred. Expense claims are to be submitted on a quarterly basis or more frequently, if required. Requests for reimbursement must be within the same budget year the expense took place. No reimbursement request will be authorized for any expense taking place in a previous budget year.

**The City will not reimburse costs for any tickets, fines or penalties resulting from a violation of any local, provincial or federal statute.**

### **Process:**

#### **1. Accommodations**

- a. Employees will be reimbursed for accommodation expenses based on actual costs (hotel room rate and taxes). An itemized hotel invoice/statement which clearly shows the GST must be submitted with the expense claim.
- b. Accommodations, hotel or otherwise, should be selected on the basis of reasonable and practical location and cost. Accommodations will be for standard/single rooms, and corporate, government, or best rates should be booked when available.
- c. In room charges (e.g. movies, mini-bar, personal phone calls, etc.) will not be reimbursed.
- d. Private residence accommodation in lieu of hotel will be reimbursed at \$25.00 per night. This allowance is intended to allow for suitable recognition for the host. No receipt is required.
- e. Employees will not be reimbursed for accommodation expenses in excess of what was actually incurred.

#### **2. Travel**

- a. Employees will be reimbursed for the most direct, practical, and cost-effective mode of travel available, considering all of the circumstances.
- b. Should there be an opportunity for cost savings, the City encourages these savings (e.g. carpooling/rental vehicle compared to multiple mileage claims).

### Personal Vehicles – Mileage and Insurance

Personal vehicles used for business travel will be reimbursed by way of an all-inclusive mileage rate based on the AUMA (Alberta Urban Municipalities Association) mileage reimbursement rate schedule for the calendar year in which the expense is incurred. These rates will be reviewed in December of each year and will be adjusted on the Employee Expense Claim Form each January at the approval of the Director of Finance. No receipts are required, but employees claiming mileage must detail each trip (date, destination, purpose, distance travelled). For Audit purposes, A mileage log or Google map must be attached to the Employee Expense Claim Form as supporting documentation for distance travelled.

Mileage reimbursement is meant to cover kilometers incurred above and beyond the employee's normal commute to his/her place of business. Mileage is paid from your place of work to your destination or actual mileage, whichever is less. If the mileage incurred is less than the employee's normal commute to work then reimbursement of mileage will not be allowed.

- a. If an employee's insurance company requires an additional premium for using a personal vehicle for City business, this additional insurance is not reimbursable by the City as this cost is covered through the all-inclusive mileage rate.
- b. The City will not reimburse claims for parking and/or traffic violation tickets or penalties.
- c. The City Manager, General Managers, or any other employees who receive a monthly car allowance (per their employee agreement) will not be eligible to claim mileage within the geographical area covered by the allowance. The geographical area includes all of the Capital Region (see *Appendix 2 – Capital Region Map*). Car allowance is a taxable benefit. The allowance will be reviewed in conjunction with periodic market reviews.

### Air Travel

- a. Air travel will be reimbursed based on actual cost. All claims for air travel must be accompanied by an itemized receipt clearly showing the GST.
- b. Employees will only be reimbursed for the cost of one checked bag.
- c. Employees will select the most reasonable, economical, air fare available and should try to take advantage of seat sales, and advanced booking fares.
- d. The City will not reimburse for seat upgrades, business, priority, or first class.

#### Change Fees

- a. The City will reimburse for change fees where the change is at the request of the City or at the discretion of the employee's supervisor.

#### Cancellation Insurance

- a. The City will only reimburse cancellation insurance for international travel (outside North America), otherwise cancellation insurance is not reimbursable.

#### Travel Medical Insurance

- a. The City will not reimburse for travel medical insurance, unless the employee is not covered under the City's benefits plan. See the benefits booklet for coverage information.

#### Rental Vehicles

- a. Rental vehicles will be authorized only where the use is economically justified (e.g. carpooling or to reduce cost of accommodations) or where no reasonable alternative exists. Claims will be reimbursed with a receipt and rental agreement.
- b. The City will not reimburse claims for parking and/or traffic violation tickets or penalties.

#### Parking

- a. Parking expenses incurred while carrying out City business will be reimbursed with parking receipts.
- b. The City will not reimburse claims for parking and/or traffic violation tickets or penalties.

#### Taxi and Rideshare

- a. Taxi and rideshare fares for business purposes will be reimbursed with a receipt.
- b. Tipping for taxi and rideshare services is limited to a maximum of 15%.

### **3. Meal Allowances**

- a. Meal allowances or claims are not authorized when meals are provided or included in the registration fee for conferences unless other City business does not allow the employee to participate in the conference meal(s). Conference itinerary or registration must be submitted with expense claim.

- b. Alcoholic beverages will not be reimbursed.
- c. Meals will be reimbursed for actual costs where itemized receipts are submitted providing the daily total stays within the guideline in 3(d) below. The meal allowances listed in 3(d) below should be used as guidelines for meal expenditures.
- d. Without receipts, the City will use the following guidelines for meal reimbursement (the rates below are a flat rate and include GST and gratuities):

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$30.00

- e. The combined amount of receipted and/or non-receipted meals shall not exceed \$65.00 per day (including GST and gratuities).
- f. Allowances for the United States of America are the same as in Canada but based on US funds.
- g. Meal expense reimbursement for countries outside Canada and the continental USA will be reviewed on a case by case basis.
- h. Please see Section 6, Political Fundraising Events for meal reimbursements regarding attendance at political functions.

**4. Gratuities**

- a. Tipping is limited to a maximum of 15%.

**5. Hosting/Business Meals**

- a. When an employee hosts a business meal with other employees, clients, or guests, the employee must provide the name and title of the individual hosted, and the business reason on the itemized receipt.
- b. Claims for alcoholic beverages are discouraged, unless the circumstances of the event require otherwise. Pre-approval by a General Manager or the City Manager is required.

Individuals hosting City business or staff functions where alcohol will be served (on or off City premises) must ensure the event is managed in a manner that avoids the potential for accidents, including identifying and eliminating potentially harmful situations.

Supervisors should ensure that they have communicated their intent to have alcohol available at such events and pre-approval of these events is required

by the General Manager or the City Manager. Supervisors may authorize the cost and use of alternate transportation (e.g. taxis or transit) for individuals leaving such events.

- c. Meal allowances as listed above should be used as a guideline for these expenses.
- d. It is expected that the most senior City employee will be responsible for the bill.
- e. A gratuity is limited to a maximum of 15% (where gratuities are automatically added to the bill for large parties, that amount will be reimbursed).

**6. Incidentals/per diem**

- a. A personal expense allowance of \$10.00 per day (calculated based on the number of nights away) may be claimed for incidental expenses. This is to cover items such as personal telephone calls, magazines, snacks, laundry, meter parking, public transit, etc., and no receipts are required and additional claims for incidentals will not be reimbursed. Conference itinerary or registration must be submitted as backup with the expense claim to verify nights away.

**7. Registration**

- a. The City will reimburse registration fees and costs of required books and materials for courses, seminars, and conferences where receipts are provided.
- b. Costs for other activities such as social or sporting activities that are associated with the event but not included in the registration fees will not be reimbursed, unless approved by the General Manager.

**8. Memberships**

- a. The City will reimburse employees for memberships in a professional association (e.g. APEGGA, CPA, etc.) where receipts are provided.
- b. The City will not reimburse for memberships in any club organized solely for pleasure, recreation, or other social purpose, or if the membership is primarily in the interest of the employee.
- c. The City will not reimburse charges for late fees due to late payment/submission by the employee.

## **9. Reward Programs**

- a. Employees may accumulate points/credits for preferred programs (e.g. Air Miles, Aero Plan, etc.) while travelling on City business. Participation in these programs must not influence any travel decisions, and any fees associated with these programs are the responsibility of the employee and will not be reimbursed.

## **10. Personal Travel**

- a. An employee may, with prior consent, select the route and method of transportation to combine personal activities with City business. Reimbursement shall be based only on expenses that would have applied had the trip been made only for business purposes. However, the reimbursement shall be the lesser of the actual expenses incurred or the expenses that would have been incurred had the trip been for business purposes only. If personal activities extend the period of time required for a trip, the additional time should be approved as vacation or leave without pay.
- b. The City will not pay or reimburse expenses for non-business-related guests or spouses of employees to attend a business event.
- c. The City will not reimburse expenses or additional costs incurred by an employee's spouse, guest, or family members. Any costs incurred are the responsibility of the employee. This includes, but is not limited to, hotel room upgrades, transportation or vehicle rentals, meals, flights, etc.

## **11. Political Fundraising Events**

- a. As a municipality, the City is prohibited from making a political contribution under Section 1(l)(ii) and Section 16 of the *Election Finances and Contributions Disclosure Act (EFCDA)*. In the event that an employee is attending a political fundraising event on behalf of the City, their attendance must be pre-approved by the City Manager or a General Manager and the City will only reimburse the employee for the meal portion of the ticket per the following legislation:

\*Section 23(3)(a) of the *EFCDA* prescribes that:

- (3) If an individual charge by the sale of tickets or otherwise is made for a fund-raising function held by or on behalf of a registered party, registered constituency association or registered candidate, then, for the purposes of this Act,
  - (a) if the individual charge is \$50 or less, it shall not be considered a contribution unless the person who pays the charge specifically requests that it be so considered, in which case  $\frac{1}{2}$  shall be allowed for expenses and  $\frac{1}{2}$  shall be considered a contribution to the registered party, registered constituency association or registered candidate, as the case may be, and

- (b) if the individual charge is more than \$50, \$25 shall be allowed for expenses and the balance shall be considered as a contribution to the registered party, registered constituency association or registered candidate, as the case may be.

Related Policies

- Code of Ethics (12.06:05)
- Council Remuneration and Expenses (11.00:25)
- Procurement (11.00:20)
- Professional Development (12.05:48)
- Signing Authority (12.06:15)
- Personal Protective Equipment (12.05:41)

**Appendices:**

Appendix 1 – Lost Receipt Declaration Form

Appendix 2 – Capital Region Map



**Employee Reimbursement and Expense Claim Policy  
Appendix 1 - Lost Receipt Declaration Form**

This form is required for any transaction that does not have proper documentation\* from the merchant/vendor.

*\*includes both the original detailed receipt and the credit/debit machine receipt*

If a duplicate receipt cannot be obtained, the claimant must submit the following signed memorandum with their Corporate Credit Card statement or Employee Expense Claim Reimbursement form.

I, \_\_\_\_\_ hereby certify that the original receipt for the  
(Print Name)  
transaction detailed below, has been lost or misplaced.

Vendor Name: \_\_\_\_\_

Transaction Amount: \_\_\_\_\_

Transaction Date: \_\_\_\_\_

Item Description: \_\_\_\_\_

GL Code/Project ID: \_\_\_\_\_

Claimant Signature: \_\_\_\_\_

Supervisor Name	Signature	Date

**Employee Reimbursement and Expense Claim Policy  
Appendix 2 – Alberta Capital Region Map**

