



ADMINISTRATIVE DIRECTIVE

Category: Finance

Employee Business Expenses

Directive Number: FIN-160
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Administered by: Finance, Accounting Services
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Contents

1. Purpose.....	2
2. Application and Scope	2
3. Outcomes.....	2
4. Principles	2
5. Mandatory Requirements.....	3
5.1 General Guidelines	3
5.2 Use of Purchasing Cards	4
6. Eligible Expenses.....	4
6.1 Automobiles	4
6.2 Business Meals and Internal Meeting Expenses.....	5
6.3 Entertainment and Hospitality Expenses.....	5
6.4 Mileage	5
6.5 Overtime Meals	6
6.6 Professional Memberships.....	6
6.7 Travel and Education	6
7. Approval Requirements.....	9
8. Roles and Responsibilities	11
9. Monitoring and Compliance	11
10. Definitions.....	12
11. References and Resources	13
Revision History	13

1. Purpose

The purpose of this Administrative Directive is to:

- Establish the business rules, guidelines and processes for claiming and approving employee business expenses incurred by City staff; and
- Ensure expenses incurred are eligible, appropriate documentation is provided, and required approvals obtained.

2. Application and Scope

This Administrative Directive applies to all permanent, temporary and contract City staff who incur business related expenses on behalf of the City.

2.1 Exceptions

This Administrative Directive does not apply to:

- a) Elected Officials, (see **Mayor and Councillors' Expense Policy FIN-110**)
- b) Appointed members of local boards and committees;
- c) Expenses incurred as part of the Education Assistance Program that is administered and funded by the Human Resources Division;
- d) Online or in-house training; and
- e) Personal expenses incurred for goods or services for non-City business.

3. Outcomes

- 3.1 The City will pay the cost of all eligible expenses incurred by employees while travelling on City business;
- 3.2 Any reimbursement by the City of eligible business expenses will be prudent, fiscally responsible, and within budgeted allocations; and
- 3.3 Employees will make the most economical and practical arrangements when incurring valid and approved expenses, including business travel with authorized pre-approval by the appropriate level of management where applicable.

4. Principles

4.1 Accountability

- a) City staff are stewards of City resources and are ultimately accountable to the public for the type and level of expenses they incur;
- b) Eligible expenses must be reasonable and be for business purposes only;
and

- c) Reimbursement of an expense should not result in staff receiving any product, service, or asset for personal use, gain or benefit.

4.2 Compliance

- a) Eligible expenditures should be administered in accordance with policies and procedures of the City, including the Corporate Fraud Prevention Policy and all purchasing and procurement policies as set out in the City's Purchasing By-law; and
- b) All accounting, audit and Income Tax Act principles and rules must be followed.

5. Mandatory Requirements

5.1 General Guidelines

5.1.1 Staff reimbursement claims for expenses must follow basic accounting and auditing principles:

- a) Expenses must be related to the business of the City and for the advancement of the City's approved strategic goals and objectives or the professional development of an employee;
- b) Staff or the City must directly incur the expense. Expenses incurred by third parties cannot be claimed;
- c) Staff must provide proper documentation, where procedure requires, including detailed original receipts, invoices, or e-bills for all expense claims;
- d) The name of attendees must be provided for all business meals, internal meeting expenses, and entertainment and hospitality expenses;
- e) The purpose of the expense and attendees must be provided on the reverse side of the invoice or receipt;
- f) Invoices must include a description of the goods purchased or service rendered, the cost, taxes and HST registration number, if applicable;
- g) In the case where the receipt/invoice shows the name of the establishment or company providing the service as a numbered company, the operating name of the establishment must be provided;
- h) Travel and Education expenses must be submitted for approval within 30 calendar days of returning from the event;
- i) For meal and mileage submissions, adhere to timelines provided by Finance; and
- j) If staff submit reimbursement claim for prior fiscal year(s), Department Head approval is required.

5.1.2 Where a business meal or function is conducted to include only the staff of one department, the senior staff person in attendance shall pay the actual bill for the meal or function.

5.1.3 Where a business meal or function is conducted to include staff from more than one department, the senior staff person from the hosting department shall pay the actual bill for the meal or function.

5.1.4 Alcohol can only be purchased or provided as a matter of hospitality or protocol while conducting City business if:

- a) The meeting involves third parties (i.e. non-City), external agencies or organizations; and
- b) Pre-approved by Director level staff.

5.1.4.1 No alcohol expense will be paid by City funds for any meeting that is attended by only City staff. Any alcohol consumed will be at the attendees' own expense, cannot be claimed as an eligible expense and will not be reimbursed.

5.1.5 The standard permitted gratuity is 15% to 20%. Any gratuity paid over this amount shall be reimbursed to the City by the employee. In the event an automatic gratuity is charged, no further tips in addition to the automatic charge shall be paid by the City. Any gratuity paid over this amount shall be reimbursed to the City by the employee.

5.1.6 Employees are encouraged to submit one reimbursement request per month.

5.1.7 Reimbursement/payments will be processed no later than the following month, once submission is received.

5.1.8 All payments will be made in CAD based on the currency exchange rates at transaction time.

5.2 Use of Purchasing Cards ('PCard')

In alignment with the **Purchasing Card Administrative Directive**, the PCard is the preferred payment method for direct purchases up to and including \$25,000 per transaction of goods, services and construction.

6. Eligible Expenses

Expenses shall be reimbursed according to the following guidelines:

6.1 Automobiles

The Chief Administrative Officer ('CAO'), Department Heads and applicable Directors will receive a fixed monthly earnings allowance for a vehicle as a part of the terms and conditions of their employment.

6.1.1 FIRE DEPARTMENT STAFF

The City will provide the Fire Chief, Deputy-Fire Chief(s) and other designated fire staff as approved by the CAO with a vehicle.

6.2 Business Meals and Internal Meeting Expenses

It may be necessary for staff to hold business and staff meetings to discuss, plan and make decisions on City business. Business meals and internal meeting expenses may be incurred, providing they are reasonable and were incurred as a result of conducting City business.

6.3 Entertainment and Hospitality Expenses

Staff may be required to host meetings or protocol events involving external business contacts related to City business. Expenses may include receptions, catering services, meeting, and meal expenses at outside locations.

Such entertainment or hospitality expenses may be incurred by **Director level staff and above only (and staff designated by Department Heads)** providing that the expenses are reasonable and were incurred as a result of conducting City business.

6.4 Mileage

The City recognizes that from time to time an employee will be required to use their personal vehicle for City business. Where an employee is authorized to use their vehicle for City business, the employee shall be reimbursed for the mileage incurred for City business on a per kilometre basis as prescribed by the Canada Revenue Agency. The nature of costs that are covered by this mileage rate include standard maintenance, repairs, taxes, gas, insurance and registration fees.

6.4.1 Mileage reimbursement shall be calculated in accordance with the following:

- a) Mileage between City locations: distances as prescribed in the on-line Employee Expense reimbursement tool. A map does not need to be submitted as backup; and
- b) Mileage between non-City locations: driving distance utilizing www.google.ca/maps or similar free mapping service. A map with driving distance (in kms) between the two locations travelled must be provided as backup when submitting the reimbursement claim.

Staff entitled to a car allowance or City leased vehicle as part of the terms and conditions of their employment are not entitled to this mileage allowance.

6.5 Overtime Meals

Employees that are required to work beyond their normal workday will be provided with a meal allowance in accordance with the following:

- a) Non-union staff: a meal allowance of a maximum ten dollars (\$10) for employees required to work in excess of two (2) hours beyond their normal workday. Itemized receipts must be included with reimbursement request; and
- b) Union staff: meal allowance entitlements are outlined in specific Collective Agreements.

The approver must ensure that the reimbursement request matches 'Time Entry' data for the respective employee claiming the overtime meal.

6.6 Professional Memberships

The City will pay for or reimburse employees for the cost of individual memberships in professional, trade and other organizations when:

- a) Membership to the organization is a requirement of the position they occupy; or
- b) Is critical in carrying out the employee's duties; or
- c) Where in the opinion of the employee's Department Head, such membership will benefit the employee's job performance and/or the City.

6.6.1 The City recognizes the following types of professional membership fees:

- a) Professional fees: are those paid to an accrediting body, which requires current membership to retain a recognized professional designation. Examples are fees paid to maintain AMCTO, CPA, CIP and P.Eng. designations;
- b) Obligatory fees: are those paid to a governing body, which allows the individual to perform the required duties in Ontario or Canada. Examples are fees paid to a legal or medical society; and
- c) Optional association fees: are those paid to organizations or associations which benefit the employee and the City, through membership.

6.7 Travel and Education

Staff may be required to incur individual travel and education related expenses as a direct result of their attendance at:

- a) External technical skills development programs;

- b) External professional development programs;
- c) Conferences, seminars and other similar training or knowledge sharing events;
- d) Business missions, trade shows and/or research trips; and
- e) Other City business or other travel at the request of City Council, the Mayor or the CAO.

Travel expenses shall be reimbursed according to the following guidelines:

6.7.1 ACCOMMODATION

The City will pay for accommodation at the single room rate. All accommodation expenses will be reimbursed based on receipts submitted.

City staff are not permitted to incur overnight hotel costs for attendance at events that are held within the boundaries of the Greater Toronto Area (“GTA”) with the following exceptions:

- a. Attendance at evening events when it would be more prudent for staff to stay over than drive home;
- b. Attendance at high profile events such as AMO and FCM conferences and other events attended by members of City Council.

At a minimum, a Director must approve overnight hotel costs for attendance at events that are held in the GTA prior to attendance.

6.7.2 ALCOHOL

Except as provided for in Section **5.1.4**, reimbursement for any alcoholic beverages will not be provided.

6.7.3 INCIDENTALS

Incidental expenses must be supported by appropriate receipts or itemized hotel statement of account.

6.7.4 MEALS

The City will reimburse the cost of meals only if they are not included in the cost of registration for a conference/seminar or a third party hosted event as part of the event, program, trade mission, research trip or other function attended away from the City.

Breakfast and dinner meals are not payable unless the attendee is required to incur hotel costs for an overnight stay.

Meal expenses that are claimed must be calculated from the time of departure to the arrival time of the return trip.

A person covered by this Administrative Directive may elect to claim meals expenses either through:

- a) Per diems in lieu of submitting receipts for meal expenses:
 - \$15.00 for breakfast,
 - \$15.00 for lunch and
 - \$30.00 for dinner
- b) Actual costs supported by receipts (up to per diem amounts noted above - \$60 max);
- c) In limited circumstances for travel outside of Canada, where a meal expense is higher than the per diem amounts noted above, the actual cost of the meal may be reimbursed to the extent it is fiscally responsible. In these situations, the claim for meal reimbursement must be accompanied by an itemized receipt and an explanation for exceeding the per diem amounts.

6.7.5 REGISTRATION

Program or Conference registration fees shall be paid based solely on the registration rates provided by the event organizer and supported by proper documentation in accordance with Section 5 of this Administrative Directive.

6.7.5.1 Unless approved by the Department Head, registration fees will not be paid for optional social events such as golf, excursion or fitness centres, etc.

6.7.6 TRANSPORTATION AND MILEAGE

The City will pay air or train fare based on receipts submitted to a maximum of the regular economy fare rate.

Should a person covered by this Administrative Directive elect to drive to a destination that is greater than 300km from Brampton in lieu of traveling by air/train, the City will reimburse expenses incurred enroute while driving, including receipted accommodation expenses, meals (per diems or receipts) and rental vehicle charges or mileage charges for use of a personal vehicle provided that all such charges as set out in this paragraph do not exceed the cost of regular economy fare.

The mileage reimbursement shall be calculated based on the driving distance utilizing www.google.ca/maps or similar free mapping service. Mileage rates will be based on the approved mileage rates in effect at the time of travel. Persons

who receive a monthly car allowance shall reduce the total mileage distance claimed by 160 km, prior to calculating the mileage reimbursement amount.

Ground transportation (taxis, buses, subway, airport shuttles, airport limousines, parking etc.) will be reimbursed based on receipts submitted.

Staff entitled to a car allowance as part of the terms and conditions of their employment are entitled to this mileage allowance.

7. Approval Requirements

In accordance with the **Financial Spending Authority Administrative Directive FIN-100**, the following outlines the required approvals for various eligible expenses.

7.1 Travel and Education

Travel Location	Attendee	Minimum Approval Required
Within Ontario	Department Staff up to and including Department Head	Supervisor or cost centre owner
Outside Ontario and within Canada	Department Staff up to and excluding Director level	Director
Outside Ontario and within Canada	Director	Department Head
Outside Ontario and within Canada	Department Head	CAO
Outside Canada	All Staff	CAO
Outside Canada	CAO	Mayor

7.1.1 PRE-TRAVEL REQUIREMENTS

Where formal pre-approval is required, staff should use the on-line **Travel and Education Expense Form**. Formal pre-approval should be obtained at least two weeks prior to making travel arrangements.

Formal pre-approval is not mandatory for events:

- a. with a duration of one day or less, **OR**
- b. where the estimated travel budget is less than \$1,000.

This does not remove the requirement for staff to obtain the necessary supervisory or departmental approvals for their attendance at the event.

Failure to obtain written approval on the prescribed form prior to travel may result (subject to supervisor's discretion) in the staff member being required to be personally responsible for all travel related expenses, including registration fees.

7.1.1.1 Travel advances are not permitted.

7.1.2 POST-TRAVEL REQUIREMENTS

A **Travel and Education Expense form** reflecting actual expenses and with supporting documentation for all applicable expenses must be submitted for approval as per the requirements in section 5 of this Administrative Directive.

This form should be completed for all travel regardless of amount and duration of travel.

7.2 Hospitality and Entertainment

Person Who Incurred Expense	Minimum Approval Required
Department Staff (including Senior Manager, Manager)	Not permitted to incur expense
Director	Department Head
CAO/Department Head	Treasurer or Deputy Treasurer

7.3 All Other Expenses

Person Who Incurred Expense	Minimum Approval Required
<i>Overtime Meals and Mileage -</i> Department Staff (excluding Senior Manager, Manager)	Supervisor or equivalent with cost centre responsibilities
<i>All other employee expenses -</i> Department Staff (excluding Senior Manager, Manager)	Senior Manager, Manager
Department Staff (excluding Senior Manager, Manager)	Senior Manager, Manager
Senior Manager, Manager	Director
Director	Department Head
CAO/Department Head	Treasurer or Deputy Treasurer

7.3.1 For non-travel and non-education related expenses, an on-line **Employee Expense Form** must be completed and along with receipts for all applicable line items, submitted for approval as per the requirements outlined in Section 5 of this Administrative Directive.

8. Roles and Responsibilities

8.1 Finance:

- a) Provide advice and direction on the interpretation and application of this Administrative Directive;
- b) Monitor compliance and follow up on those claims not in compliance;
- c) Reimburse individuals in a timely manner; and
- d) Resolve disputes.

8.2 Supervisor or Manager

- a) Ensure employees are in compliance with the rules and requirements of this Administrative Directive and take appropriate corrective actions when required;
- b) Ensure expenses were incurred only in the performance and benefit of City business; and
- c) Verify funds are available within the approved budget.

8.3 Employee

- a) Comply with rules and requirements outlined in this Administrative Directive when submitting expense documents;
- b) Exercise integrity and good business judgment when incurring expenses;
- c) Physically be in attendance for the full duration of the approved event for which a reimbursement is being claimed; and
- d) Submit required documentation including detailed receipts.

9. Monitoring and Compliance

It is the direct Supervisor or cost centre owner's responsibility to monitor and ensure their respective staff's compliance with this overall Administrative Directive.

In addition, all expense claims submitted under this Administrative Directive are subject to random verification of compliance by Finance staff.

9.1 Consequences of Non-compliance

Failure to follow this Administrative Directive may result in:

- a) Processing and reimbursement delays;

- b) The staff member being required to be personally responsible for expenses incurred;
- c) The staff member being required to utilize vacation days for days in attendance at an unapproved event; and
- d) Loss of employee expense privileges and/or disciplinary actions up to and including termination.

9.2 Dispute Resolution

Disputes shall be resolved as follows:

- a) Directors and Department Heads shall resolve disputes arising within their own departments; and
- b) The Treasurer and/or Deputy-Treasurer shall resolve disputes that cannot otherwise be resolved.

10. Definitions

10.1 **CAO** means the City's Chief Administrative Officer appointed by By-law 84-2008.

10.2 **Department** means a Department with a Council appointed Commissioner or officer as the Department Head and includes the General Manager of Transit and Fire Chief.

10.3 **Department Head** means the Commissioner or head of an operating Department appointed by Council.

10.4 **Director** means head of a Division reporting directly to the CAO or Department Head.

10.5 **Division** means part of a Department whose head reports directly to the CAO.

10.6 **Incidentals** means expenditures for reasonable out of pocket expenses for gratuities, baggage handling, dry cleaning, laundry, etc.

10.7 **Mileage** means a fixed allowance per kilometre for the use of a personal vehicle which recognizes the expenses associated with operating a personal vehicle (e.g. gas, insurance repairs and maintenance, etc.).

10.8 **Per Diem** means a fixed allowance for which no receipts are required.

10.9 **Receipt** means a document received from vendor that itemizes and describes all items purchased.

10.10 **Supervisor or Manager** means staff that may have financial responsibility for monitoring operating or capital accounts as determined by the Department Head.

10.11 **Treasurer** means the Treasurer of the Corporation appointed by Council pursuant to By-law 84-2008 and includes the Deputy

11. References and Resources

References to related bylaws, Council policies, and administrative directives

- Corporate Fraud Prevention Policy GOV-110
- Development and Education Policy 7.2.0
- Employee Code of Conduct 2.1.0
- Financial Spending Authority Administrative Directive FIN-100
- Mayor and Councillors’ Expense Policy FIN-110
- Purchasing Card Administrative Directive PUR-120
- Staff Attendance and Expenses at Events 14.5.3

References to related corporate-wide procedures, forms, and resources

- Education Assistance Program
- OurDNA

Revision History

Date	Description
2018/12/06	Approved by CLT on <i>December 6 2018</i> . Replaces the following policies: 13.3.0 Expenses – Approval Requirements 13.3.1 Expenses - Business 13.3.2 Expenses – Mileage 5.6.0 Expenses – Meal Allowance 13.3.4 Expenses – Professional Memberships FIN-120 Travel and Education Related Expenses (rescinded by Resolution No. TBD)
2019/09/05	Amended to include provision on situations for travel outside of Canada where a meal expense is higher than the per diem. Approved by SLT.
2020/12/06	Next Scheduled Review