



Policy

Title: PERSONAL AND TRAVEL EXPENSE POLICY		Number: 0107
Reference: Board of Commissioners – March 3, 1999 Administrative Committee – (Procedure Revisions) February 4, 2009 Administrative Committee – (Procedure Revisions) August 12, 2009 Administrative Committee – (Procedure Revisions) August 18, 2010 Administrative Committee – (Procedure Revisions) November 9, 2022	Adopted by City Council: February 6, 2023	
	City Clerk 	Chief Administrative Officer 
Supersedes: August 17, 2009		
Prepared by: FINANCE DEPARTMENT		

STATEMENT

THE PURPOSE OF THIS POLICY IS TO PROVIDE A FRAMEWORK OF CONSISTENT STANDARDS AND GUIDELINES FOR THE REIMBURSEMENT AND PAYMENT OF PERSONAL AND TRAVEL EXPENSES INCURRED BY EMPLOYEES, CITY COUNCIL, BOARD AND COMMISSION MEMBERS IN THE PERFORMANCE OF THEIR DUTIES.

PRINCIPLES

1. Ensure taxpayer dollars are used prudently and responsibly with a focus on accountability and transparency.
2. Ensure fair and reasonable practices for reimbursement of personal and business expenses (including membership and association fees).
3. Ensure individuals are appropriately reimbursed for approved travel expenses.
4. Ensure appropriate approval has been obtained to facilitate travel.
5. To set out procedures that will enable employees to obtain reasonable and cost-effective transportation and accommodation.

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1. DEFINITIONS

1.01 Travel Status

Subject to the provision below, employees are considered to be in travel status 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. The travel status of an employee who combines personal business with their official duties will not be extended to cover the period of time the employee is on personal business.

1.02 Audit

The process by which the designated Travel Coordinator reviews requests and actual expense claims to ensure adherence to policy.

1.03 Approval

The process by which the designated departmental approving authority authorizes the travel and payment of expense(s).

2. RESPONSIBILITIES

2.01 City Council

Receive, review and adopt the Policy and the recommended amendments.

2.02 Administrative Committee

- (a) Review and adopt procedures which are developed for the implementation of this policy.
- (b) Monitor the application, interpretation and administration of this policy.

2.03 Mayor

- (a) Approve or appoint a designate(s) to approve all personal expense claims for:
 - (1) Councillors
 - (2) City Manager/Chief Administrative Officer
 - (3) Employees reporting directly to the Mayor

2.04 City Manager / Chief Administrative Officer

- (a) Ensure compliance with the Administrative Organization Bylaw in the implementation of this Policy, and
- (b) Without limiting the general statement in (a) delegate the powers, duties and functions of the City Manager / Chief Administrative Officer pursuant to the Administrative Organization Bylaw to City employees as necessary to give effect to this Policy.
- (c) Authorize and approve, or appoint a designate(s) to approve all personal expense claims for:
 - (i) Managing Directors
 - (ii) Employees reporting directly to the City Manager / Chief Administrative Officer.

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- 2.05 Managing Director(s) (within their delegated authority)
Authorize all travel requests, and approve, or appoint a designate(s) to approve all personal expense claims for all employees reporting to the Managing Director.
- 2.06 Director(s), Manager(s), Supervisor(s), City Clerk, City Solicitor (within their delegated authority)
- (a) Authorize all travel requests, and approve, or appoint a designate(s) to approve all personal expense claims for employees and Advisory Boards, Committees and Commissions in their department.
 - (b) Ensure that corporate guidelines for employee travel as established by this policy are adhered to.
 - (c) Review and approve the audited expense claims and submit to the Finance Department within (14) fourteen days of the employee's return for reimbursement of amounts paid.
- 2.07 Finance Department
- (a) Produce payment for approved travel advances and approved audited travel expense claims through the Enterprise Resource Planning (ERP) Travel System.
 - (b) Periodically review the rates of reimbursement set for employees travel expenses and submit revisions to the Administrative Committee for approval.
 - (c) Periodically conduct audits in departments to ensure compliance with this policy.
- 2.08 Individuals
Ensure that expense claims are completed in accordance with the Personal and Travel Expense Policy. **Responsible for ensuring that all travel costs that are reimbursable from third parties are collected.**

3. PROCEDURES

- 3.01 Before an employee is authorized to travel, it should be determined that the purpose cannot be adequately met through correspondence, video conferencing or telephone communication.
- 3.02 Expense Request, which provides authority to travel, should be completed through the ERP Travel System by every employee prior to departure whether or not advance funds are required. Employees should take into consideration the timing of the approval process where advances are required.
- 3.03 Travel funds must be included in the approved budget for the year.
- 3.04 The City will pay expenses of the employee only. However, in circumstances where an employee is accompanied by their spouse, the cost of double hotel accommodation shall be reimbursed by the City. All other expenses associated with spouse accompaniment will be paid directly by the employee.
- 3.05 Whether advance funds are provided or not, each Request for Travel will require the completion of the Actual Expense Claim for closure.

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3.06 All travel expenses must be processed through the ERP Travel System, including submitting itemized receipts.

3.07 Registration Fees

Registration fees for conferences and seminars may be paid through a City purchasing card or the Accounts Payable system.

3.08 Transportation

(a) All travel is to be by the most direct route and the most economical means of transportation bearing in mind the purpose of the trip and the salary of the employee in respect to the travel time required. The means of transportation may be prescribed by the department.

(b) An employee authorized to travel on City business may travel by any means of transportation along any route in order that they may combine personal business with official duties. However, the claim for expenses and subsistence will be paid on the basis of the expenses that would have been incurred had the trip been made by the route and mode of travel that would have been prescribed by the department. Extra time required for personal travel or personal stop-overs should be deducted from vacation leave entitlement or taken as leave without pay.

(c) The following transportation standards shall apply:

(1) Air Travel:

(i) Except for short journeys, where the use of car or City vehicle is more economical, air travel is the acceptable mode of transportation. Economy class is usually used, but a higher standard may be authorized for reasons such as the following:

- Less expensive flights are NOT available and delay in arrival is not acceptable.
- The employee is officially accompanying a person travelling first or business class.

(ii) All Air Travel may be paid by City purchasing card or billed directly to the City of Medicine Hat.

(iii) Purchase of cancellation insurance is discouraged, since this insurance only covers flights cancelled due to medical conditions.

(2) Private Vehicle Travel:

Travel by private vehicle may be authorized where, in the opinion of the person authorizing the travel, this method is economical and practical. Allowances payable for authorized official use of a private car based on ownership and adequate insurance coverage is the unit rate per mile or kilometre travelled as set out in the Car Allowance Policy. When several people travel together in the same vehicle, only the owner and not the passengers will be entitled to the allowance. If a private vehicle is used when it would be more economical to use another mode of transportation, the most economical fare will be reimbursed.

(i) Standard Kilometre Distance – the ERP Travel System will reimburse mileage based upon the standard kilometre distance. An allowance of 10% will be added to the standard distance for each destination.

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(3) Taxis and Equivalent:

An employee shall be reimbursed for actual and reasonable costs incurred for taxis, buses, or equivalent for transportation between home or work place and the designated airport, or bus station. An employee shall also be reimbursed for any actual and reasonable costs incurred for taxi or equivalent transportation on necessary official business in location(s) outside Medicine Hat.

(4) Rental Vehicles:

(i) If City business dictates and if it is more economical to rent a vehicle, the actual cost of rental will be reimbursed. **A standard rental unit must be used exclusively for City Business to ensure that it is covered under the City's Insurance Policy.** If a rental vehicle will be used for personal reasons, additional insurance should be purchased.

(ii) The rental contract should be included in the Travel Claim submission. Vehicles must be rented in the name of the City of Medicine Hat in order for coverage to exist. The vehicle cannot be rented in the name of the individual. (Most companies allow the City of Medicine Hat and the employee's name to be listed on the rental contract.)

(5) City Vehicle:

City owned vehicles may be used for long journeys where it is more economical to do so, with prior permission of the Director or designate.

3.09 Meals and Miscellaneous

The intent of this Clause is to provide guidance to employees related to meals and miscellaneous business travel related expenses. Employees should not be "out of pocket" however, reasonable efforts should be made to manage these expenses.

- (a) Please see Attachment 4.02 for the cost of meals and incidental expenses. Rates for meals and incidentals will follow the current Canada Revenue Agency rates.
- (b) Where an employee is exposed to unusually high costs for meals, actual costs will be reimbursed subject to approval of the authority responsible for that employee's travel. Actual itemized receipts must be submitted for claims in excess of meal allowances.
- (c) Meal allowances are not authorized when:
 - (i) Breakfast – the departure time from Medicine Hat is later or the arrival time back in Medicine Hat is earlier than 0800 hours.
 - (ii) Luncheon – the departure time from Medicine Hat is later or the arrival time back in Medicine Hat is earlier than 1300 hours.
 - (iii) Dinner – the departure time from Medicine Hat is later or the arrival time back in Medicine Hat is earlier than 1830 hours.
- (d) Meals cannot be claimed if they are included in conference packages, part of the hotel stay, with transportation, or paid for by a third party.
- (e) Official Telephone Calls:

An employee will be reimbursed for official telephone calls above the daily incidental rate. An itemized receipt is required detailing the call information.
- (f) City purchasing card will not be used for meals or incidentals.

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3.10 Out of Country Travel

- (a) When travelling out of Canada, no Goods and Service Tax (G.S.T.) will be reimbursed for meal and incidental expenses.
- (b) Both receipts for purchasing and selling of foreign funds are required otherwise the normal bank rates as identified in the ERP Travel system, via Bank of Canada, will be applied.
- (c) When expenses are paid in funds other than Canadian, the actual amount paid should be recorded in the ERP Travel System. The conversion to Canadian dollars will be calculated automatically by the ERP Travel System.

3.11 Hosting Expenses

An employee, with proper approval from their supervisor, will be reimbursed for the actual cost of miscellaneous business expenses such as hosting business associates, costs associated with meetings, conferences, seminars, etc. while away on travel or in the City of Medicine Hat. These costs are to be processed through the ERP Travel System. Hosting expenses must be supported by an explanation as to the nature of business and who attended, guest name(s), title, and company must be included.

3.12 Illness or Accident

An employee shall be reimbursed for those necessary expenses caused by illness or accident occurring while in travel status, provided that these expenses are not payable under a continuing health or accident insurance policy. Because of this provision, an employee shall not be reimbursed for the premium cost of additional health care or accident insurance obtained at the employee's discretion.

3.13 Accommodation

- (a) An employee shall be reimbursed for actual and reasonable expenses for commercial accommodation on authorized municipal business. An employee shall normally be authorized to stay in an accommodation which is reasonably priced, conveniently located and comfortably equipped. The Government or Corporate rate should always be requested when booking hotel accommodations.
- (b) Where an employee arranges private accommodation for an overnight stay, the employee shall be reimbursed for each night, as per amount stated in Attachment 4.02.
- (c) Arrangements shall be made for suitable self-contained accommodation obtainable at weekly or monthly rates where an employee is required to spend periods in excess of one month in travel status at one location and where such accommodation is available, convenient and economical.
- (d) Purchasing cards may be used to pay for accommodations. If an employee does not have a purchasing card they are encouraged to pay for all accommodations personally, and will be reimbursed after filing their Expense Claim. If an employee has authorization to charge their hotel bill to the City, a Purchase Order must be set up prior to travel and only Parking and Hotel Rate, plus applicable taxes should be charged to the City account. All other expenses must be paid by the employee.

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3.14 Travel Expense Claims

- (a) Employees are required, within fourteen (14) days of return, to initiate completion of actual expenses for reimbursement (if applicable). If funds are owing to the individual, a cheque or electronic fund transfer (EFT) will be issued within ten (10) days of the actual expense approval through the ERP Travel System. If money is owing to the City of Medicine Hat the reimbursement may be collected as follows:
 - (i) An Accounts Receivable invoice will be sent to the employee to request payment of the outstanding amount advanced in excess of actual travel costs.
NOTE: If you wish to reimburse funds immediately, please contact the Accounts Receivable Department.
 - (ii) If outstanding Accounts Receivable is not paid within thirty (30) days, the amount owing to the City of Medicine Hat may be deducted through the Payroll System.
 - (iii) If an actual expense claim has not been initiated within (14) fourteen days of the date of return, the amount of the advance may be deducted through the Payroll System.
 - (iv) If the City of Medicine Hat has acted upon item 3.14(a) (3) one time, the individual may be prohibited from requesting advance funds for future travel.
- (b) The following expenses shall be supported by vouchers, itemized receipts or other appropriate documents:
 - (i) Enroute accommodation not included in the basic fare or ticket purchased or provided by the City.
 - (ii) Car rentals and fuel
 - (iii) Parking charges
 - (iv) Long distance telephone calls
 - (v) Entertainment of business guests (hosting)
 - (vi) All taxi receipts
 - (vii) Registration fees
 - (viii) Air travel

3.15 Membership and Association Dues

Professional Membership Dues and Association Dues will be processed through Accounts Payable and charged to Departmental Budgets where membership in the specific Association is approved by the respective Managing Director or Director (Managing Director's approval required for Directors).

3.16 Gifts

Departmental Social Clubs have been established in some areas for the purpose of sending flowers, fruit, etc. to employees upon illness or special occasions. Monies and budget tracking for these accounts are completed by the individual Department. Gift purchases that are not funded through departmental social clubs should be limited to unique circumstances and should be subject to Director approval.

4. ATTACHMENTS

- 4.01 Benefit Coverage while Travelling on City Business
- 4.02 Schedule of Rates for Meal Reimbursement

BENEFITS WHILE TRAVELING ON CITY BUSINESS

When traveling for business on behalf of the City of Medicine Hat, there is specific coverage available to City employees for:

- Accidents or Unexpected Illness
- Hospital Services
- Alberta Blue Cross Emergency Outside Canada Travel Benefits
- Alberta Health Care Insurance

Please refer to your employee benefit handbook for details on the coverage available.

TRAVEL MEAL & INCIDENTAL PER DIEMS

The following allowances are for the cost of meals and incidental expenses. The meal per diems will be adjusted January 1 of each year to align with the Revenue Canada Agency rates.

Item	Rate	GST	Total
Breakfast	\$20.86	\$ 1.04	\$ 21.90
Lunch	\$ 21.09	\$ 1.06	\$ 22.15
Dinner	\$ 51.81	\$ 2.59	\$ 54.40
Incidentals*	\$ 16.67	\$ 0.83	\$ 17.50
Total Per Diem	\$ 110.43	\$ 5.52	\$ 115.95

No GST is calculated on out-of-country expenses.

* Incidentals are only for an overnight stay and cover: laundry and dry cleaning, local telephone calls, gratuities, baggage handling, personal supplies or services.

PRIVATE ACCOMODATION** \$50.00 PER NIGHT

** Private Accommodation: staying with a friend or relative instead of booking a hotel while on City Business (no GST on this expense).