

EDMONTON

ADMINISTRATIVE PROCEDURE



TITLE

EMPLOYEE BUSINESS EXPENSES – LOCAL AND OUT OF TOWN

NUMBER

A1415I

DEPARTMENT

FINANCIAL SERVICES

DELEGATED AUTHORITY

CHIEF FINANCIAL OFFICER, FINANCIAL SERVICES

CONTACT

DEPARTMENT TRAVEL COORDINATORS

DEFINITIONS

DATE

MARCH 15, 2012

Account Coding – A defined list of SAP cost elements used for Employee Business Expenses listed in Attachment II.

Air Card – A device used for a laptop, PDA or cell phone that allows the user to connect to wide area wireless internet access.

Approving Authorities - The required approvals as outlined in Attachment I – Responsibility Summary, including specific exceptions.

Authority to Travel – The form used to identify eligible expenses to develop the budget for travel and obtain approval for travel from the approving authority.

Business Expense Claim – A form used to claim reimbursement for Employee Business Expenses. The form is designed to account for all expenses related to one travel occurrence.

Combined Travel – A consecutive period of time which includes official City business travel and personal travel.

Corporate Procurement Card (CPC) – An official City of Edmonton credit card used for City expenses.

Employee – Any individual employed by the City that reports to the City Manager or City Auditor, along with those individuals employed/contracted by the City on a personal services agreement, but does not include elected officials.

Employee Business Expense – Business related expenses incurred by City employees while conducting business on behalf of the City of Edmonton.

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Food Services – Meals and/or, meeting refreshments provided for other employees and/or external parties for internal business meetings or workshops.

Full Day of Travel – When an employee departs from Edmonton prior to 9:00 am and returns to Edmonton after 5:30 pm, the day that business travel occurs. Full Day of Travel is relevant for claiming per diem meals.

Hosting – Meals provided for other employees and/or external parties while conducting authorized official City business at an outside venue.

One-up Approval – Approval required by the next most senior manager to whom the claimant is a direct report. (e.g. branch manager approves for directors, general manager approves branch managers).

Program Manager – The manager (e.g. director, branch manager, general manager) accountable for the budget where employee expenses will be charged.

Receipt – A document that itemizes and describes all items purchased.

Standard Room – The most economical and efficient room based on reasonable and practical location.

Travel Coordinator – The designated representative in each department/branch assigned the duties to coordinate travel booking and expense claims.

Travel Status – 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 traveling on City business to the time they return to their place of residence or normal place of work in Edmonton. The travel status will not be extended to cover the time the employee combines personal business with official duties.

PROCEDURES AND GUIDELINES

Employees will be reimbursed for expenses incurred in accordance with the Employee Business Expense Administrative Directive and the following Procedures and Guidelines. Employees are responsible for being familiar with and complying with the Procedures and Guidelines.

Approving Authority

The Program Manager will approve the Authority to Travel and Business Expense Claim for his/her own employees. At a minimum, One-up Approval is required. No employee may approve his/her own Authority to Travel or Business Expense Claim. The City Manager will approve the Authority to Travel and Business Expense Claim for General Managers. General Managers must approve Authority to Travel and Business Expense Claim for all travel outside of Canada. The City Auditor will approve Authority to Travel and Business Expense Claim for Office of the City Auditor staff including travel requests outside Canada.

When an expense is incurred on behalf of several employees, the expense is most often authorized and paid for by the most senior approving authority. There may be circumstances that occur where this practice is not followed.

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Approval to Travel

Required Documentation – Employees must complete the Authority to Travel form and submit it to the Approving Authority for approval before any travel arrangements are made. The Authority to Travel form serves as the budget for the travel and should outline all expected costs. Upon approval, the Approving Authority will forward the Authority to Travel to the Travel Coordinator to book travel arrangements. Early notification of approved travel is encouraged to secure the lowest possible airfares and rates. Flights should be booked 14 days prior to departure to obtain the most economical fare.

Travel Arrangements – Travel Coordinators will make all arrangements (transportation, accommodation, and car rental) as approved on the Authority to Travel form for the employee and through consultation with the employee. The general practice is for the Travel Coordinator to use a department CPC to book flights and pay conference fee registrations. Accommodation and remaining eligible expenses are paid by the employee and reimbursed by the City.

CPC – Employees can request a temporary CPC for travel that is in excess of **three days**. Applications for a CPC must accompany the Authority to Travel form, and will be approved by the Branch Manager in compliance with the CPC approval process. Applications must be received by Accounts Payable fifteen (15) working days prior to departure. When a CPC has been used, employees are required to comply with both the [City's CPC guidelines](#) and this directive. Use of a CPC for personal expenses violates CPC guidelines.

Expenditure Reimbursement

Required Documentation – Employees are responsible for submitting accurate and complete Business Expense Claims to the Travel Coordinator within twenty-one (21) days, from the later of completion of travel or date of the business expense. A complete Business Expense Claim package includes:

- The pre-approved Authority to Travel
- A complete Business Expense Claim listing all travel and associated eligible expenses and
- Original itemized receipts

For CPC expenditures incurred while travelling:

- Attach the original itemized receipts to the CPC cardholder statement for CPC process approval
- Attach a photocopy of original itemized receipts to the Business Expense Claim

This will ensure adequate documentation for both the CPC process and travel expenditure reimbursement process. All expenses related to one travel claim will be submitted on one Business Expense Claim.

Reimbursement Process – The Employee submits the complete Business Expense Claim package to the Travel Coordinator. Variances from the Authority to Travel (budget) and the actual expenses claimed on the Business Expense Claim should be explained by the employee making the claim and approved by the Approving Authority.

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The Travel Coordinator responds to any questions/required interpretations relating to the Employee Business Expense guidelines, reviews the claim for compliance with guidelines, and forwards the complete Business Expense Claim package to the Approving Authority for approval. Approved Business Expense Claim package is forwarded to Accounts Payable for processing. Any handwritten changes on the forms should be initialed by the Approving Authority. Approved Business Expense Claim package is not returned to employee.

Personal Expense Reimbursement – Personal expenses are the responsibility of the employee and should be paid by cash or personal credit card at the time of purchase. When nominal amounts for personal expenses (e.g. personal calls or movies on hotel bill) have been charged to a CPC, the amount owing to the City will be paid by the employee as follows:

- first, deducted from other amounts due to the employee on the expense claim
- second, cash or cheque submitted with the expense claim when amount due to the City is in excess of amount due to the employee

Travel Coordinators will ensure amounts received by the employee are deposited to a City account.

Third Party Reimbursement - When travel expenses are eligible for reimbursement from a third party, the Travel Coordinator will submit an invoice request, at the time of Business Expense Claim approval, to Accounts Receivable to bill the third party.

Net Amounts Due to Employee under \$100 – For purposes of efficiency, Petty Cash may be used to reimburse employees when net claim amount due to the employee (including GST) is under \$100 (one hundred dollars). Petty cash should not be used to pay a portion of a total claim (no splitting of claims). The employee is required to submit the original receipts along with the Business Expense Claim to the Approving Authority. Once approved, the Approving Authority will forward the expense claim, with receipts attached, to the petty cash custodian for payment. Reimbursements through Petty Cash are subject to all procedures and guidelines in this directive. Petty Cash may only be used for when there are no reportable exceptions on the expense claim (e.g. alcohol, personal expenses charged to CPC).

Foreign Exchange – Employees will be reimbursed the Canadian equivalent for eligible expenses by using the Bank of Canada rate on the date of departure or the rate used on a foreign exchange voucher/receipt or credit card. For currency rates, check <http://www.bankofcanada.ca/en/>. Employees are responsible for exchanging Canadian currency to foreign currency.

Reporting and Compliance

Conflict of Interest – Offers to travel at the expense of third parties may be perceived to be a conflict of interest. Employees must decline any offers that may be perceived to be in exchange for special treatment or in a conflict of interest. Refer to the [City of Edmonton Code of Conduct](#).

Exception Reporting – Finance and Treasury will provide a written report to the City Manager outlining exceptions for alcohol approved (e.g. payment for and use of CPC to purchase) and use of CPC for personal expenses. Report details include: staff member, reason for approval and amount of exception. Reporting will be provided for each six month period, by July 31 for January to June and Jan 31 for July to December.

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Late Submission – General Managers will be notified, by the Travel Coordinator, when submission of Business Expense Claim is more than twenty one (21) days from the later of the date of business expense or completion of travel.

Lost Receipts – Reimbursement for lost receipts will be processed for first time occurrence by an employee by completing the [Lost Receipt Declaration Form](#). Second time occurrences must be approved by the employee's Branch Manager.

Out-of-Country Travel Reporting – The Finance and Treasury Department will submit an annual report to the City Manager for all travel outside Canada. The report will include the department, name of traveler, destination, purpose of trip and the cost.

Receipt Splitting – Splitting receipts is not permitted. This refers to splitting a transaction into two or more transactions to remain within the maximum dollar limits on allowable expenses or maximum dollar limits on CPC.

Specific Exceptions – Any exceptions to the guidelines in the Directive must be approved by the City Manager. Certain exceptions requiring General Manager approval are identified in Attachment I. Approved exceptions will be forwarded to the Chief Financial Officer and Treasurer for further processing and communication to related staff and approving authorities.

Violations – Any employee who violates or knowingly allows his/her staff to violate this Directive, is subject to disciplinary action up to and including termination.

Compliance Oversight & Assistance – The Finance & Treasury Department is responsible for compliance oversight and to assist with inquiries and issue resolution.

EXPENSE GUIDELINES

Ineligible Expenses

The following costs are not reimbursed by the City:

Alcoholic Beverages – Alcohol consumption is considered a personal expense and should not be charged to a CPC. Alcoholic beverages are not eligible for reimbursement, unless an exception has been preapproved by a General Manager.

Refer to City's [Administrative Directive on Drugs and Alcohol A1128 procedure](#).

Extra Charges – Generally, airlines have a duty to accommodate disabled passengers through a "one person one fare" rule. Employees requiring special seating arrangements (requiring more than one seat) should contact the airline.

Laundry & Dry Cleaning – Laundry and dry cleaning expenses are included in the daily incidental allowance. They do not qualify as a separate allowable expense for reimbursement.

Passport Fees – Employees are responsible for any cost to obtain a passport for City business. Passport information is available at <http://www.ppt.gc.ca/index.aspx?lang=e>

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Personal Travel Expense - An employee wishing to combine a business trip with personal travel may do so at his/her own expense and effort. The employee is required to pay for any expense not related to their business travel (e.g. for combined travel, parking a personal vehicle at the airport will only be reimbursed for the time the employee is required to travel for official City business).

Cost saving can accrue to the City by combining business and personal travel. The Employee will demonstrate, for approval, on the Authority to Travel request, the cost savings. In this case, the City will reimburse the lesser of:

- Business Travel Cost or
- Business Travel Cost + Personal Travel Cost

Expenses and travel arrangements for any companions (e.g. spouse, partner, family member or friends) are the responsibility of the employee. Employees will not:

- Use their CPC for companion expenses.
- Use City's corporate discount rate for travel or accommodations for companions.
- Claim seat selection fees for companions.

Personal and Restricted Expenses - Purchases of personal goods and services will not be reimbursed through the Business Expense Claim and must not be charged to the CPC.

Refer to [Administrative Directive A1439 - Purchasing Goods Services and Construction](#) and its Procedure for a listing of restricted and prohibited purchases.

ELIGIBLE EXPENSES

Hotel - Accommodations are selected on the basis of reasonable and practical location and cost, using professional judgment. Accommodations will be based on single occupancy in a standard room. Upgrades to a suite are acceptable if there is no additional cost to the City of Edmonton. The Travel Coordinator will request the use of federal government or corporate rates when making reservations for hotels.

Internet Access – Prior approval from the Approving Authority is required if internet access is required for City business. The cost for internet access should be reasonable and economical or other accommodation arrangements will be made by the Travel Coordinator.

Private Accommodation Allowance – Employees choosing to stay with friends or relatives are reimbursed \$50.00 for each night. The allowance is intended to allow for suitable recognition for the host. No receipt is required.

Per diem Allowance – While in travel status, employees may claim the maximum Full Day Travel meal per diem (daily) allowance of \$50. The maximum **includes** tips/gratuities and taxes (PST/GST/HST). When meals are included in travel events (e.g. conference fees) or airfare, the per diem for the meal(s) included is not reimbursed. Per diem allowances are the maximum amount reimbursed when no receipts are submitted. Program Managers will approve reasonable amounts in excess of per diems, with

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submission of original receipts. This per diem allowance will be reviewed and updated every two years. For partial travel days, the eligible per diem allowance is based on the following:

Note: Assumes that employee is required to be at the airport two hours prior to departure.

For example, when departing from Edmonton at 7:30 a.m. and returning to Edmonton at 5:00 p.m., employees would be entitled to the breakfast and lunch per diem for a total reimbursement of \$25.00.

When travelling outside Canada, the daily maximum for per diem meals applies in the foreign currency. For example, when traveling to the US, the daily meal allowance is \$50.00 US reimbursed in Canadian funds at the appropriate exchange rate ($\$50\text{US} \times 1.053 = \52.65CDN where the exchange rate was \$1.053 at the date of departure).

Hosting and Food Services - When an employee hosts a business meal with other employees and/or external parties, the employee must provide the name and title of the individuals attending, and the business reason on the original receipt.

The per diem allowances listed below are used as the guideline to determine reasonable receipt amounts for hosting and food services. It is expected that reasonable judgment be used when approving amounts in excess of the daily per diem amount.

The hosting and food services guideline does not apply to City organized events. These events are outside the scope of this directive.

Meal	Allowance	Guidelines
Breakfast	\$10.00	Departure from Edmonton must be before 9:00 a.m. or Arrival in Edmonton must be after 9:00 a.m.
Lunch	\$15.00	Departure from Edmonton must be before 1:00 p.m. or Arrival in Edmonton must be after 1:00 p.m.
Dinner	\$25.00	Departure from Edmonton must be before 5:30 p.m. or Arrival in Edmonton must be after 5:30 p.m.

All expenses for food services will be paid by CPC and the

original receipt must accompany the Cardholder Statement.

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Car Rental - The Program Manager approves car rental and required fuel purchase, prior to travel as documented on the Authority to Travel form.

The rental unit will be based on business requirements, e.g. a van would be booked for several employees traveling together. Travel Coordinators can make arrangements for car rental through Fleet Services for Edmonton area travel. The City of Edmonton is eligible for federal government rates with car rental companies. When making reservations, the Travel Coordinator will request the federal government rate. Employees will be required to show identification (City ID) at time of check-in.

Insurance is covered under the City's Risk Management Program. Additional vehicle insurance is neither required nor reimbursable. It should be declined at the time of renting a vehicle.

Private Vehicle - The Program Manager must approve the use of a private vehicle for travel outside the Capital region, when the use of commercial transportation is not economical or practical. The employee must provide comparisons justifying the economical and practical benefits of private vehicle use on the Authority to Travel form. Carpooling is encouraged when two or more employees are traveling to the same destination. Only the driver of the vehicle is eligible for private vehicle reimbursement allowance reimbursement.

Use in Alberta – Reimbursement complies with the Private Vehicle Reimbursement Directive A1413. Contact your department Travel Coordinator if a destination is not listed.

Outside Alberta – Reimbursement maximum will be limited to the lower of:

- economy airfare or
- bus fare plus 25%.

Insurance - Employees are responsible for adequate insurance coverage when using their own vehicles for purpose of City business in accordance with the City's [Administrative Directive A1413 - Private Vehicle Reimbursement](#).

Airport Improvement Fees – Many airports charge an Airport Improvement Fee. These fees are reimbursed. The original receipt must be attached to the Business Expense Claim.

Air Travel Standards – All air travel will be at economy class. Upgrade to business or executive class must be approved by the employee's General Manager. Circumstances to be considered for an upgrade include business travel time (including layovers) in excess of five (5) hours one way, international travel or to accommodate flight availability impact on work commitments.

Corporate Air Carrier – All air travel must be booked with the City of Edmonton's corporate air carrier (currently West Jet). Exceptions related to destination, timing and cost may be considered. Rationale for not using the corporate air carrier must be included on the Authority to Travel form. All air travel must be booked using the CPC.

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Electronic Ticketing – E-Tickets will be mailed to the Travel Coordinator, or the traveler, upon confirmation of the travel itinerary. Employees can check-in at the ticket counter or gate.

Luggage Fees – Employees are allowed a two (2) piece maximum of checked standard size and weight luggage. The City will cover any associated costs. Overweight or additional luggage is the employee's responsibility. When presentation material or equipment is included with the employee's luggage, the City will pay overweight and extra luggage fees.

Seat Selection – The City of Edmonton will pay a maximum of \$15 per flight for seat selection for an employee's official business trip. For connecting flights requiring seat selection fees for each connection, each seat selection fee will be reimbursed at maximum \$15.

Transportation to and from the Edmonton International Airport

Taxi – Taxi fare to and from the Edmonton International Airport is based on actual receipt amount. See Tipping/Gratuities for tipping amounts. Receipts are required. Sky shuttle is an alternative method of transportation to and from the airport.

Private Vehicle - Travel to and from the Edmonton International Airport, is reimbursed a flat rate of \$20.00 each way plus parking. Valet parking at the international airport will only be reimbursed to the same value as Value Park. As an alternative, Park'NFly offers parking coupons for airport parking, check www.parknfly.ca. Mileage claims will not be accepted.

Cell Phones – Employees must obtain prior approval from the General Manager if using Cell Phone/Blackberries/Air Cards when traveling outside Canada due to the high cost of roaming charges. More information on roaming charges and procedures for updating Cell Phones/Blackberries/Air Cards when traveling outside Canada can be found at http://ecity/info_technology/mobile-wireless.aspx

Conference/Training Registrations – The City of Edmonton will pay registration fees for courses, seminars, and conferences. Costs for other activities such as tours, social or sporting activities that are associated with the event but not part of the registration fees will not be paid, unless pre-approved by the General Manager.

Training opportunities offered through the City of Edmonton will be processed through Corporate Services – Inside Information (registration & payment). Training offered by external organizations will be processed and paid for by the department Training Coordinator.

Frequent Flyer Miles – Employees may accumulate personal frequent flyer points (e.g. Air Miles, Aero Plan) while traveling on City business. Participation in these programs must not influence flight selection. Program registration fees and the crediting process are the employee's responsibility.

Incidentals – Employees may claim an incidental allowance of \$10.00 for each **full day** of travel. Incidental expenses include: telephone calls home, coin laundry, public transit, dry cleaning, meter parking. No receipts are required for this allowance. The incidental allowance will be reimbursed in Canadian funds only.

Medical Insurance – The [Sickness and Accident Insurance Plan](#) provides reimbursement of necessary medical expenses incurred by an employee while in travel status outside Canada, in excess of expenses

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allowed under Alberta Health Care, the City's Major Medical and Supplementary Hospital Plan or Worker's Compensation. Premiums for additional coverage are not reimbursed.

Flight Cancellation Insurance – The City does not pay for cancellation insurance except in cases with extenuating circumstances (e.g. immediate family member in palliative care, expecting birth of own child). The General Manager will approve any exceptions requiring cancellation insurance prior to the arrangements being made.

Local Parking – Employees will be reimbursed for local parking expenses that have been incurred to carry out official City business.

National Park Entrance Fees – Most National Parks and National Historic sites charge entrance/service fees. Employees will be reimbursed for their individual park entrance fees if traveling through a national park on official business travel. The rate of reimbursement will be based on the daily rate fees unless it is more economical to purchase an annual pass. For more information on National Parks check http://www.pc.gc.ca/progs/np-pn/index_E.asp

Overtime While Traveling on City Business – Prior to travel, a decision on overtime eligibility for an employee while traveling on official city business must be sought from the Approving Authority.

Taxis and Equivalent – Employees will be reimbursed for actual costs incurred for taxis or equivalent transportation while on official City business. Taxi charges to and from the Edmonton International Airport are limited, see Transportation To and From the Edmonton International Airport.

Telephone calls – Employees will be reimbursed for costs incurred for local and long distance calls relating to official City business with a receipt (e.g. hotel bill). Personal calls are included in the daily incidental allowance.

Tipping/Gratuities – Tipping for services while on city travel and for hosting is limited to a maximum of 15%. The hosting and per diem guideline includes tipping.

Vaccination – For travel to a destination that requires current vaccinations, employee vaccination costs will be reimbursed by the City.

Weekend travel home – A General Manager will authorize the reimbursement cost of an employee's weekend travel home for one weekend visit during a continuous absence of at least five (5) weeks.

Attachment I – [Responsibility Summary](#)

Attachment II – [Account Coding](#)