

Procedure

Employee Business Expenses

This procedure falls under Administrative Policy A1206 *Financial Administrative and Control*.

Program Impacted	Financial Sustainability <i>The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.</i>
Approved By	City Manager
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This procedure prescribes the processes for the control and reimbursement of employee business expenses including travel, food services, hosting and other business expenses incurred by a City employee while conducting business on behalf of the City of Edmonton.

Application

- The City of Edmonton will reimburse employees for business expenses incurred in accordance with this procedure. Employee expenses must be reasonable, prudent, cost effective and defensible to an impartial observer. Employees are expected to demonstrate appropriate stewardship and accountability when incurring and/or approving expenses.
- Employee business expenses must be managed in an expedient and efficient manner to facilitate timely and accurate financial and management reporting. Expenditure officer review and approval is the key control in determining compliance with this administrative procedure. Expenses must be approved by an expenditure officer who was not a beneficiary of the expense at least one level higher. For greater clarity an expenditure officer in a documented acting appointment may approve employee business expenses and travel provided they are not approving their own travel authority or business expense.
- Employees must receive appropriate expenditure officer approvals for all employee business expenses as defined in the *Expenditure Accountability Framework* procedure. Travel Coordinators

are designated to support the travel process, provide advice, manage employee travel including all bookings and ensure compliance in each area.

- Further information on the processes, approvals, forms, roles, responsibilities and accountabilities for these expenses are in the Employee Business Expense Operating Procedures.

Requirements

1. Travel

- 1.1. An employee must obtain pre-approval to travel for business (including the estimated cost) from their direct supervisor prior to making any arrangements. Depending on the destination, additional approval may be required:

Destination	Approval Required	Authority to Travel Form Required?
Within Edmonton Region	Director	No
Outside Edmonton Region*	Deputy City Manager (DCM)	Yes
Out-of-province, Out-of-country*	DCM approval followed by City Manager	Yes

*Edmonton Region includes the following 13 municipalities: City of Beaumont, City of Edmonton, Town of Devon, City of Fort Saskatchewan, City of Leduc, Leduc County, Town of Morinville, Parkland County, City of St. Albert, City of Spruce Grove, Town of Stony Plain, Strathcona County, Sturgeon County

For travel outside the Edmonton region (including out of province and out of country), if approved, the employee and the appropriate travel coordinator will be advised.

- 1.2. The travel coordinator will make all travel arrangements (transportation, accommodation and other) in consultation with the employee considering personal, work and travel schedules and adhering to the following:

1.2.1. Cost effectiveness:

- 1.2.1.1. Where appropriate, the City's preferred vendors (air, hotel) must be used;
- 1.2.1.2. For airfare and ground transportation, the lowest available fare for the most direct route can be expensed. The cost effectiveness of the route selected should consider the fare cost as well as the impact on the employee's schedule and other related costs;
- 1.2.1.3. Travel should be booked sufficiently in advance (at least 14 days prior);
- 1.2.1.4. Airlines and fare class cannot be chosen based on personal frequent flyer program incentives or personal preference; and
- 1.2.1.5. Reimbursement is limited to a standard single occupancy rate in a business class hotel, or whatever class of available accommodation is the most reasonable or

most efficient (such as a conference hotel which, while not necessarily the most economical, will avoid taxi and other ground transportation charges and offer a safe and efficient location for conference attendees). The use of luxury accommodation (e.g. resorts or upgraded accommodations) will not be reimbursed without justification and prior written approval by the expenditure officer.

- 1.3. The corporate credit card is the preferred corporate purchasing and payment tool for travel, training and conferences and should be used wherever possible (per Corporate Credit Card Handbook).. If the employee does not yet have a corporate credit card, a personal payment method is required with expense reimbursement by the City;
 - 1.3.1. Training requests with or without travel, are subject to the conditions of the *Employee Learning and Development procedure*; and
 - 1.3.2. The employee is required to retain and submit all receipts (except as noted).

- 1.4. When travelling on City business, employees may claim either:
 - 1.4.1.1. the actual expense of the meal; or
 - 1.4.1.2. the per-diem meal allowance.
 - 1.4.2. Per diem meal allowances provide reasonable amounts for each meal required while travelling and are efficient. The meal allowance rates are as follows:
 - 1.4.2.1. Breakfast \$15;
 - 1.4.2.2. Lunch \$20;
 - 1.4.2.3. Dinner \$30; and
 - 1.4.2.4. Incidental expenses \$10 (per full day of travel).
 - 1.4.3. The Deputy City Manager, Financial and Corporate Services is responsible for approving and updating the per diem meal allowances in this procedure. The Deputy City Manager, Financial and Corporate Services can approve changes to this procedure necessary to reflect the updates to the per diem meal allowances. Any other changes to this procedure must be approved by the City Manager.
 - 1.4.3.1. A receipt is not required for a meal where an allowance is claimed.
 - 1.4.3.2. Receipts are required for the reimbursement of actual expenses for meals and must be reasonable giving consideration to the location of travel.
 - 1.4.3.3. When travelling outside Canada, the per diems can apply in either the local currency or Canadian, whichever is greater.
 - 1.4.3.4. Other travel expenses as defined in the Employee Business Expense Operating Procedures such as car rental, conference/training fees, parking, luggage charges, ground transportation, and seat selection are eligible for reimbursement with appropriate authorization.

- 1.4.3.5. Certain expenses as defined in the Employee Business Expense Operating Procedures including alcoholic beverages, airport lounge access, additional car rental insurance, flight cancellation insurance, additional medical insurance, passport fees or personal expenses are not eligible for reimbursement. Exceptions must be approved by the responsible Deputy City Manager. A claimant shall not claim and an Approver shall not approve reimbursement of alcohol as part of Employee Business Expense.
- 1.5. To support accounting, reporting and reimbursement of expenses, employee expense claims need to be submitted to the travel coordinator within 21 days. The travel coordinator will advise the Deputy City Manager of claims outstanding after 21 days.
 - 1.5.1. When reporting travel expenses:
 - 1.5.1.1. When one expense is incurred for several employees, it should be authorized and paid for by the most senior staff member in attendance (representing the appropriate budget) or approved by an expenditure officer who was not a beneficiary of the expense at least one level higher;
 - 1.5.1.2. The travel coordinator will advise, support and provide interpretations of the employee business expense guidelines for expense claim completion;
 - 1.5.1.3. Transactions cannot be split to avoid exceeding limits; and
 - 1.5.1.4. Variances from the approved budgeted expenses must be explained by the employee.
 - 1.5.2. When reviewing travel expenses:
 - 1.5.2.1. The travel coordinator will review the claim to ensure that it is compliant and forward it appropriately when ready for approval. They will:
 - 1.5.2.1.1. Make a copy of the approved expense claim package for retention in branch records; and
 - 1.5.2.1.2. Forward the original approved expense claim package to Accounts Payable for Processing;
 - 1.5.2.2. The expenditure officer will review the claim appropriately:
 - 1.5.2.2.1. It will either be approved or sent back to the employee for changes or compliance issues;
 - 1.5.2.3. Accounts Payable will appropriately review the claim and issue the payment.
- 1.6. If an employee expects to work and be compensated for overtime while travelling for business purposes, this must be documented on the *Authority to Travel (ATT)* form and approved prior to their departure.

- 1.6.1. This approval must be in alignment with overtime practices and for relevant union classifications, collective agreements or other relevant governance; and
- 1.6.2. Overtime for employees while in their normal work location is not within the scope of this procedure;
- 1.6.3. Overtime costs associated with business travel need to be considered in the planning of travel to ensure cost-effectiveness.

2. Food Services

- 2.1. An employee must obtain pre-approval for food services from their direct supervisor prior to making any arrangements. Depending on the request, approval may also be required from their Director, Branch Manager, Deputy City Manager, or City Manager in accordance with the *Expenditure Accountability Framework* procedure.
- 2.2. For food services arrangements:
 - 2.2.1. The employee must record the name(s) and title(s) of all of the individuals attending, and the business reason for the expense on the receipt;
 - 2.2.2. The per diem allowances as defined in section 1.4.2 determine reasonable costs
 - 2.2.2.1. Judgment is required when approving amounts exceeding these to ensure that expenses remain economical;
 - 2.2.3. Where possible expenses will be paid for by corporate credit card (Corporate Credit Card Handbook).
 - 2.2.3.1. Expenses paid by invoice must follow the *Payment of City Money* procedure.
 - 2.2.3.2. If paid for otherwise, an employee expense claim is required for reimbursement; and
 - 2.2.3.3. Food services that are part of City-organized events are out of scope for this procedure.

3. Hosting Expenses

- 3.1. When an employee provides food services or hosts a business meal with other employees and/or external parties, the employee must write the name(s) and title(s) of all of the individuals attending, and the business reason for the expense on the receipt.
- 3.2. Alcohol consumption is considered a personal expense and is not eligible for reimbursement. Alcohol may be provided at City events provided that the cost of alcohol is borne by the attendee of the event. In cases where alcohol is provided, where the arrangements ensure the alcohol is provided in a responsible manner (e.g., food must always be served). Alcohol consumption is considered a personal expense and is not eligible for reimbursement and cannot be paid for with City funds.

- 3.3. It is expected that judgment will be used when approving amounts exceeding the daily per diem amounts as defined in 1.4.2 to ensure that expenses remain economical.
- 3.4. Where possible, expenses for food services will be paid for by corporate credit card. In this case the receipts should be submitted along with the cardholder statement as described in the Corporate Credit Card Handbook. The employee does not need to fill out a business expense claim form for food services paid for with their corporate credit card.
- 3.5. Hosting and food services that are part of City-organized events are outside the scope of this procedure.

4. Other Employee Business Expenses (excluding travel)

- 4.1. Employees are responsible for submitting accurate and complete employee expense claims within 21 days of the expense. Deputy City Managers will be advised of claims outstanding after 21 days.
- 4.2. Transactions cannot be split to avoid exceeding limits.
- 4.3. When reviewing expenses:
 - 4.3.1. Branch administrators provide advice, respond to questions and support processing;
 - 4.3.1.1. The branch administrator will review the claim to ensure that it is compliant and forward it appropriately when ready for approval;
 - 4.3.2. The expenditure officer will review the claim appropriately
 - 4.3.2.1. It will either be approved or sent back to the employee for changes or compliance issues;
 - 4.3.3. The branch administrator will:
 - 4.3.3.1. Make a copy of the approved expense claim package for branch record retention;
 - 4.3.3.2. Forward the original approved expense claim package to Accounts Payable for processing; and
 - 4.3.4. Accounts Payable will appropriately review the claim and issue the payment.

5. Gift and Gift Cards

- 5.1. Gifts to employees outside a recognised program (e.g. Long Service Awards, Cultural Commitment Awards etc) are not permitted and will not be reimbursed. This includes but is not limited to gifts in recognition of birthdays, weddings, wedding showers, births, baby showers, injuries at work, long term sick leave, bereavement, individual retirement, resignations or education achievement.
- 5.2. Gift cards may only be purchased in modest amounts for honorariums or other similar requirements for non-employee use and when alternatives (example: City recreation passes or other City services) have been considered.

6. Reimbursement for Private Vehicle Use for Business Purposes

- 6.1. Reimbursement for private vehicle use for business purposes must comply with the following:

- 6.1.1. For travel within the Edmonton region, employees who are authorized to use their private vehicle in the performance of their employment duties will be reimbursed at the established rate;
- 6.1.2. For travel outside of the Edmonton region, the most cost-effective method must be chosen;
- 6.1.3. A comparison of the cost for personal vehicle reimbursement, staff time and alternatives such as air travel or car rental must be done to ensure these expenses are cost-effective; and
- 6.1.4. Reimbursement of private vehicle usage for business purposes is in the *Private Vehicle Reimbursement procedure*.

Definitions

All definitions contained in the *Financial Administration and Control Directive* apply to this procedure. In addition:

- **Branch Administrator** The person designated by the Branch Manager to review employee business expenses (excluding travel) prior to processing;
- **Food Services** Meals and/or non-alcoholic refreshments provided for employees at internal business meetings or workshops;
- **Full Day of Travel** When an employee departs from their residence or work location before 7:30 am and returns to their residence or work location after 5:30 pm when travelling, but excludes personal time (combining personal business with official duties while travelling);
- **Hosting** Providing meals and/or non-alcoholic refreshments at authorized, official City functions attended by external parties and/or employees;
- **Normal Work Location** The location an employee normally reports to in order to perform their employment duties, file reports or receive instructions.