

Administrative Procedure



Employee Business Expenses

This procedure falls under the **Financial Administrative and Control Administrative Directive, A1206**.

Date of Approval: December 20, 2017
Effective Jan 1, 2018

Next Scheduled Review: Date of
Approval + 3 years

Purpose:

The purpose of this procedure is to prescribe 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.

Definitions

All definitions contained in the [Financial Administration and Control Directive](#) apply to this procedure. In addition:

- **“branch administrator”** is the person designated by the Branch Manager to review employee business expenses (excluding travel) prior to processing;
- **“food services”** are meals and/or non-alcoholic refreshments provided for employees at internal business meetings or workshops;
- **“full day of travel”** is 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”** is providing meals and/or non-alcoholic refreshments at authorized, official City functions attended by external parties and/or employees;
- **“normal work location”** is the location an employee normally reports to in order to perform their employment duties, file reports or receive instructions;
- **“receipt”** is a detailed receipt provided by the supplier for a purchase;
- **“travel coordinator”** is the employee in each department/branch assigned to coordinate travel, bookings and expense claims in accordance with the Employee Business Expense Operating Procedures.

Processes

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 should not be financially advantaged or disadvantaged while conducting

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business on behalf of the City of Edmonton. 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](#). 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.

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
In-province	Director
Out-of-province/Out-of-country	Deputy City Manager

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:
- Cost effectiveness:
 - Where appropriate, the City's preferred vendors (air, hotel) must be used;
 - For airfare and ground transportation, the lowest available fare for the most direct

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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;

- Travel should be booked sufficiently in advance (at least 14 days prior);
- Airlines and fare class cannot be chosen based on personal frequent flyer program incentives or personal preference; and
- 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.
- 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;
- Training requests with or without travel, are subject to the conditions of the Employee Learning and Development procedure; and
- The employee is required to retain and submit all receipts (except as noted).

1.2.1 When travelling on City business, employees may claim either:

- a) the actual expense of the meal; or
- b) the per-diem meal allowance.

Per diem meal allowances provide reasonable amounts for each meal required while travelling and are efficient. The meal allowance rates are as follows:

- Breakfast \$15;
- Lunch \$20;
- Dinner \$30; and
- Incidental expenses \$10 (per full day of travel).

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

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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.

- a) A receipt is not required for a meal where an allowance is claimed.
- b) Receipts are required for the reimbursement of actual expenses for meals and must be reasonable giving consideration to the location of travel.
- c) When travelling outside Canada, the per diems can apply in either the local currency or Canadian, whichever is greater.
- d) 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.
- e) 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.

- 1.3 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.

When reporting travel expenses:

- 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;
- The travel coordinator will advise, support and provide interpretations of the employee business expense guidelines for expense claim completion;
- Transactions cannot be split to avoid exceeding limits; and
- Variances from the approved budgeted expenses must be explained by the employee.

When reviewing travel expenses:

- The travel coordinator will review the claim to ensure that it is compliant and forward it appropriately when ready for approval. They will:
 - Make a copy of the approved expense claim package for retention in branch records; and

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- Forward the original approved expense claim package to Accounts Payable for processing;
- The expenditure officer will review the claim appropriately
 - It will either be approved or sent back to the employee for changes or compliance issues; and
- Accounts Payable will appropriately review the claim and issue the payment.

- 1.4 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.
- a) This approval must be in alignment with overtime practices and for relevant union classifications, collective agreements or other relevant governance; and
 - b) Overtime for employees while in their normal work location is not within the scope of this procedure
 - c) 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](#).

For food services arrangements:

- 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;
- The per diem allowances determine reasonable costs
 - Judgment is required when approving amounts exceeding these to ensure that expenses remain economical;
- Where possible expenses will be paid for by corporate credit card (Corporate Credit Card Handbook).
 - Expenses paid by invoice must follow the [Payment of City Money](#) procedures.
 - If paid for otherwise, an employee expense claim is required for reimbursement; and
- Food services that are part of City-organized events are out of scope for this procedure.

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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 unless an exception has been pre-approved in writing by a Deputy City Manager.
- 3.3 It is expected that judgment will be used when approving amounts exceeding the daily per diem amount 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 CCC Handbook. The employee does not need to fill out a business expense claim form for food services paid for with their CCC.
- 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 can not be split to avoid exceeding limits.
- 4.3 Gift cards may only be purchased in modest amounts for non-employee use and when alternatives (example: City recreation passes or other City services) have been considered.
- 4.4 When reviewing expenses:
 - Branch administrators provide advice, respond to questions and support processing;
 - The branch administrator will review the claim to ensure that it is compliant and forward it appropriately when ready for approval;
 - The expenditure officer will review the claim appropriately
 - It will either be approved or sent back to the employee for changes or compliance issues;
 - The branch administrator will:
 - Make a copy of the approved expense claim package for branch record retention;
 - Forward the original approved expense claim package to Accounts Payable for processing; and
 - Accounts Payable will appropriately review the claim and issue the payment.

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5 Reimbursement for Private Vehicle Use for Business Purposes

5.1 Reimbursement for private vehicle use for business purposes must comply with the following:

- a) 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;
- b) For travel outside of the Edmonton region, the most cost-effective method must be chosen;
- c) 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
- d) Reimbursement for business purpose private vehicle usage is in the Private Vehicle Reimbursement procedure.

Additional Resources

The Branch Manager, Financial Services may, after review by the City Solicitor, approve standards to support or provide further detail to the above processes, however any amendments to this procedure must be approved by the City Manager.

Attachments

- Employee Business Expense Operating procedures

History

- A1415I: Employee Business Expenses - Local and Out of Town - Approved March 15, 2012.