



**Policy Type:**  
**Policy #:**  
**Approved by Council on:**

Finance  
FN-100-01  
October 28, 2019

## **Finance – Council, Committee, Local Board Members, and Employee Travel and Expenses Policy**

### **Objective**

The Town of Prescott may require a Member of Council, Committees, Local Boards, or employee of the Town to travel on Town business occasionally. These individuals will be reimbursed for reasonable and actual expenses incurred while travelling on Town business. The reimbursable expenses should support the strategic and program objectives of the Town.

This policy applies to all Town of Prescott Members of Council, Committees, Local Boards, and Town employees travelling on town business. Unionized employees are governed by the terms of the applicable collective agreements. Where a collective agreement is silent on a specific aspect of travel policy or expenses, this policy shall apply.

### **Definitions**

#### Approver or Approval Authority

For an employee, the approver is their immediate supervisor or manager. For Members of Council, the approver is the Chief Administrative Officer and the Finance Portfolio Chair. For the Chief Administrative Officer, the approver is the Mayor and the Finance Portfolio Chair.

### **Principles**

The following principles should form the basis for all decisions regarding travel on Town business:

1. Tele-conferencing or web-conferencing should always be considered as a possible alternative, to reduce expenses for conducting Town business.
2. Whenever practical carpooling while travelling on Town business is encouraged.
3. Members of Council and staff should be reimbursed fully for legitimate work-related expenses authorized by Council or management.
4. Choose the most practical, economical, and reasonable arrangements for travel, meals, hospitality, and business-related expenses.

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5. Any and all travel should be accommodated within the current budgetary limits.
6. All travel and mileage expenses are subject to examination by administration and / or the Town auditors and must be completed with care, accuracy, and supported by the appropriate forms, invoices, and receipts. Corrections may be made to a travel and expense form by the Approver or the Deputy Treasurer for inaccuracies or expenses in violation and beyond the scope of this policy.

### **Procedure**

#### **Every Member of Council and employee travelling on Town business is responsible for:**

1. Ensuring they are familiar with and understand this policy and their obligations within it.
2. Conducting their self as a representative of the Town in a professional manner at all times.
3. Employees should obtain written approval in advance from their Approver for estimated travel expenses.
4. Retaining all receipts. Note that a credit card slip is not a receipt. A receipt is an invoice itemizing types of expenditures and HST information. The Town is able to claim the majority of the HST charge back but without the original receipt no claim can be made.
5. Arranging accommodations, transportation, and health insurance (if travelling outside Canada) and other arrangements. Members of Council, Committees, and Local Boards can use the Clerk's Office to make travel arrangements on their behalf.
6. Submitting a Travel and Expense Claim form with original receipts to the approval authority within 60 days of travel.
7. Ensuring expenses incurred on Town trips are consistent with normal business standards. Questions regarding the appropriateness of a specific travel expense should consult with their Approver or the Chief Administrative Officer for guidance.



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### **The Approver is responsible for:**

1. Ensuring that proposed travel expenses can be accommodated within the current departmental budget.
2. Reviewing and approving all travel expenses submitted by the travelling individual. This includes verifying that they are mathematically correct within 5 business days.
3. Providing guidance to individuals regarding appropriate types and levels of expenses.
4. Forwarding the approved Travel & Expense Claim to Accounts Payable for processing.
5. Questions with regards to the validity of an expense or a question regarding this policy can be addressed by the Chief Administrative Officer.

### **The Chief Administrative Officer (CAO) is responsible for:**

1. Ensuring that the principles and requirements contained in this policy are applied consistently across the Town.
2. Approving exemptions when in their judgment, a legitimate reason exists.
3. Authorizing travel expenses for Approvers and in their absence.
4. Authorizing travel expenses for members of Council.
5. Arbitrate any disagreements on the interpretation of this policy between individuals and the Town.

### **The Treasurer/Deputy Treasurer is responsible for:**

1. Developing and updating this policy in consultation with the Chief Administrative Officer and management.
2. Ensuring that the principles and requirements contained in this policy are applied consistently across the Town and highlight any inconsistencies to the Chief

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Administrative Officer.

3. Highlight any exemptions or extraordinary items for the Chief Administrative Officer.

### **Expenses:**

1. Must be work related.
2. Must be modest, appropriate, and reasonable. Due diligence is required to demonstrate the reasoning behind the mode of transportation and choice of accommodation. Backup for these decisions may be requested before expenses are approved.
3. Council approval must be obtained prior to any travel outside the province of Ontario.
4. Must strike a balance between economy, health and safety, and efficiency of operations.
5. Expenses that are considered of a personal nature are not eligible for reimbursement. Personal expenses include, but are not limited to:
  - Expenses resulting from unlawful acts
  - Traffic and parking violations incurred while driving on Town business
  - Recreational purposes (e.g. video rentals, mini-bars, special facility charges, entertainment not directly related to Town business etc.)
  - Personal items not required to conduct Town business
  - Valet parking unless in extenuating circumstances
  - Memberships to rewards programs or clubs (e.g. airline clubs)
  - Alcoholic drinks
  - Expenses included due to the presence of friends or family members
  - Hotel, train, or airline expenses incurred due to the failure to cancel reservations
  - Expenses incurred for changes to hotel, train, or airline reservations that are at the request of the individual and not due to an unforeseen circumstance.
  - Personal credit card fees and late payment charges
  - Additional ancillary charges such as premiums for failure to refuel fuel in a rental car

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### **Approved Travel Claim Form Requirements:**

1. Detail the eligible travel expenses to be reimbursed including original receipts, and sign and date the form.
2. Do not include any expenses that will be reimbursed by another party such as a person, board, government, or committee.
3. Forward the completed form promptly to the appropriate approval authority.
4. Approvers will check the forms for accuracy and eligibility, then forward it on to Accounts Payable for processing or in the event of an issue, return it to the employee for correction or clarification.

### **Travel:**

1. When possible, travel must be approved in advance by an employee's Approver. Such pre-approval should accompany the travel claim.
2. A copy of the boarding pass or ticket for all modes of transportation must be attached to the reimbursement form.
3. Where a number of representatives of the Town are attending the same function, shared travel is required where possible and is economically beneficial to the Town.
4. The mode of transportation selected will be that which enables the individual to attend to Town business with the least cost together with the least amount of interruption to the individual's regular business, and personal schedules. Consideration should be taken as to the length of time away from the workplace. Basic economy / coach fares will be paid by the Town. Any upgrades will be the responsibility of the individual.
5. When personal travel is combined with business travel, the employee will be reimbursed only for the business portion of the trip at the lowest available fare.
6. The town expects discretion to be applied with any expenses are incurred and reserves the right to limit reimbursement to reasonable costs. Any dispute over the validity of items included on a Travel and Expense Reimbursement Form will be arbitrated by the Chief Administrative Officer.

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### **Travel by Vehicle:**

1. When road transportation is the most practical and economical way to travel the order of preference should be as follows:
  - Use of available Town vehicles for those individuals covered under the Town's automobile insurance;
  - Rental vehicle when a rental vehicle is more economical than use of a personal vehicle,
  - Personal vehicle when a personal vehicle is more economical or practical than use of a rental vehicle
2. Where an employee accumulates more than 1,600 km per month on a regular basis, the Approver will investigate lower cost options. Where an individual continues to use a personal vehicle, the rationale for this practice should be documented and submitted to the Chief Administrative Officer.
3. The use of toll highways, including but not limited to Highway 407 (ETR), should be restricted where possible, and the use of such routes are subject to prior approval.

### **Rental Vehicles:**

1. Rental cars should be limited to a Standard vehicle category or below. Consideration should be given based on the number of passengers, weather conditions, and other safety reasons. All luxury and sport car rentals are expressly prohibited.
2. Collision and liability insurance offered by the car rental companies must be purchased.
3. Rental cars must be refueled before returning them to avoid extra charges.
4. Receipts for gasoline purchases, parking lot charges, and applicable bridge or highway tolls must be submitted with travel and expense claims. The per kilometer reimbursement rate is not applicable when using a rental vehicle. Valet parking is not reimbursable unless it is in an extenuating circumstance.

### **Personal Vehicles:**

1. Personal vehicles used on Town business must be insured at the vehicle owner's expense for personal motor vehicle liability. Coverage should be greater than or equal to \$1,000,000. Drivers must satisfy themselves whether their motor vehicle insurance



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coverage should include business use of their vehicles. The Town will not reimburse the costs of collision and liability coverage for business use.

2. The Town assumes no financial responsibility for privately owned vehicles other than paying the current kilometric rate when used for Town business. The Town assumes no liability for accidents involving an employee’s private vehicle while on Town business.
3. When individuals use of their own vehicle for Town business, reimbursement will be in accordance with the current approved current kilometer allowance for travel. This allowance is to cover all costs of fuel, depreciation, maintenance and insurance. The per kilometer reimbursement rate will be calculated on a yearly basis using the average price of gas during the month of December in the Town of Prescott. This rate will then be in effect for the following calendar year.

Kilometer Reimbursement Rate Table

Average December Gas Price (per liter) In Prescott	Reimbursement Rate per Kilometer
0.71 – 0.80	0.47
0.81 – 0.90	0.48
0.91 – 1.00	0.49
1.01 – 1.10	0.50
1.11 – 1.20	0.51
1.21 – 1.30	0.52
1.31 – 1.40	0.53

4. Reimbursement for travel within and outside the Town of Prescott will require a documented listing of dates, purpose, and kilometers for each trip.
5. Kilometers driven to and from the point of destination will be reimbursed as per the following guidelines:
  - a. No travel allowance shall be provided to individuals for travel to their normal work location.
  - b. The shortest distance between the Town and the destination or the individual's home and destination will be used to calculate the maximum number of kilometers that can be claimed.

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- c. A mapping tool will be used to calculate the shortest road distance between any two points. If a claim is found to be in excess of 10% of the shortest distance it will be returned to the individual for correction.
  - d. Unless stipulated in a union contract, if an individual is commuting to somewhere other than their normal work location and travels fewer kilometers than their normal round trip between home and work, reimbursement will not be provided.
  - e. Unless stipulated in a union contract, if an individual is traveling to somewhere other than their normal work location on their way to or from work, the distance normally traveled to and from work will be subtracted from the trip for the purpose of reimbursement.
6. Receipts for parking lot charges and applicable bridge or highway tolls must be submitted with the travel and expense claim. Valet parking is not reimbursable unless it is in extenuating circumstances.

### **Taxis, ridesharing, or public transportation:**

1. Where it is reasonable and practical to do so, the use of public transportation such as buses or subways is encouraged when at an event.
2. The use of taxis or ridesharing should be reasonable. Examples of when a taxi or rideshare may be appropriate include:
  - Situations requiring transportation between events or meetings and the individual's hotel.
  - Situations requiring transportation between airport or train/bus terminal and the individual's hotel/event.

### **Travel by Train or Bus:**

1. It is expected that employees will choose the most economical and direct form of transportation. Wherever possible, travel arrangements should be made in advance to ensure availability of economy class seats and the best price.
2. The original boarding pass/passes and ticket/E-ticket must be attached to the travel claim.



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3. Expenses incurred due to the failure to cancel reservations or a reservation change that is at the request of the individual and not due to an unforeseen circumstance are not eligible for reimbursement.

### **Travel by Air:**

1. Individuals may travel by air for trips that are beyond a reasonable driving distance. Prior approval for all travel by air must be obtained and documented in writing from the approver.
2. Individuals will be reimbursed for travel Economy class for all domestic and international flights.
3. Individuals are expected to pursue the maximum savings on air travel expenses within reasonable limits. Every effort should be made to book in advance to take advantage of discounted fares and to obtain the lowest fares compatible with the necessary travel requirements.
4. The original boarding pass/passes and ticket/E-ticket must be attached to the travel claim.
5. Expenses incurred due to the failure to cancel reservations or a reservation change that is at the request of the individual and not due to an unforeseen circumstance are not eligible for reimbursement.

### **Meals:**

1. Individuals will be reimbursed for reasonable meal expenses, subject to the approval by the employee's approver if expenditures are incurred while on business away from his or her place of work
2. Original, itemized receipts must be provided with the travel claim of actual meal expenses. Reimbursement will not exceed the amount actually spent (including taxes and gratuities) as validated by the receipt accompanying the travel claim. The maximum reimbursement per meal including taxes and gratuities (maximum of 20%) is as follows
  - Breakfast \$20.00
  - Lunch \$25.00
  - Dinner \$45.00

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3. No reimbursement shall be made in the following circumstances:
  - a. Any meals that are included in the cost of transportation, accommodation, meetings, seminars, training sessions, conferences or other event where registration is paid for by the Town
  - b. Breakfast for travel where the individual is required to leave home at 7:30 am or later
  - c. Lunch for travel where the individual arrives home or work at 1:00 pm or earlier
  - d. Dinner for travel where the individuals arrives home at 5:30 pm or earlier
4. If a meal is purchased at a local establishment it must have pre-approval for reimbursement from the approver and must include at least one guest of the Town
5. When an individual is authorized to pay for the meals of others, expense reports must include a brief explanation of the event and a list of those in attendance. The highest ranking individual should pay for the meal expenditures

### **Accommodations:**

1. Individuals should use the most economical accommodation available (generally a standard quality hotel room) that is convenient to the event being attended. No reimbursement will be made for suites, executive floors or concierge services. Individuals should request the government, conference, or corporate rate when available.
2. Individuals will be responsible for the validity of all room charges and must review the hotel bill carefully to ensure all charges are correct. A detailed copy of the hotel bill must be attached to the expense report.
3. No reimbursement will be made for entertainment, laundry services, pay TV or movies, alcohol, or special facility charges (e.g. fitness clubs).
4. Long-distance business and personal calls will be reimbursed. One personal telephone call per day of a reasonable duration as well as telephone calls to the office and with business contacts is acceptable. Wherever possible the most cost effective method should be used (e.g. Town-issued cell phones) in order to minimize costs.
5. While travelling on Town business, additional business expenses not otherwise covered will be reimbursed, such as computer access charges, photocopying, word processing

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services, facsimile transmission, internet connections, rental and transportation of necessary office equipment, provided the charges incurred are reasonable and related to Town business.

6. Expenses incurred due to the failure to cancel reservations or a reservation change that is at the request of the individual and not due to an unforeseen circumstance are not eligible for reimbursement.

### **Receipts**

Retain all travel, meal and accommodation receipts. Note that a credit card slip is **not** a valid receipt. A valid receipt is an invoice itemizing types of expenditures and HST information with the vendor's name, the date of the expenditure and the location.

### **Approvals**

Reimbursement for travel expenses must be submitted on the approved Travel Claim form and accompanied by receipts. They must be approved by the approval authority. In the case of Council member expenses, the Chief Administrative Officer and the Finance Portfolio Chair will approve the claims. The Mayor and the Finance Portfolio Chair will approve the Chief Administrative Officer's expense claims.

### **Submitting of Expense Forms & Payment**

Travel expenses will be reimbursed within 10 business days through the Accounts Payable process once the approved Travel Claim form with original receipts have been submitted to the Finance department by the Approver. A claims issue may result in the delay of reimbursement.

Those employees on vacation or sick leave following the 60 day submission period will be given 10 additional business days to submit their travel and expense claim with receipts to the approver upon their return to work. Any other exceptions will require the Chief Administrative Officer's approval.



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### **References**

N/A

### **Related Policies**

Credit Card Policy

### **Associated Documents**

1. Travel & Expense Claim Form