	ADMINISTRATIVE POLICY	Policy No: 9,053CM, Revised Approved By: City Manager
		Effective Date: June 27, 2016
	BUSINESS TRAVEL AND EXPENSE	Department: Corporate Services, Human Resources

BUSINESS TRAVEL AND EXPENSE

POLICY STATEMENT

The City of Spruce Grove believes that Employees should be fairly compensated for business related travel. Travel should be undertaken with the view of maximum efficiency in a fiscally responsible manner.

1. PURPOSE

This policy sets out the parameters for business related travel compensation.

2. DEFINITIONS

“Business Travel” refers to travel for the purposes of business or work, other than the daily commuting between home and the workplace.

“Employee” refers to persons who are compensated for services performed and whose duties are under the control of an employer.

“Motor Vehicle Liability Insurance” refers to insurance that protects the insured financially if they are found legally liable for injuring someone or causing damage to another person's property or motor vehicle while operating a motor vehicle.


“Non-Owned Auto Insurance” refers to liability coverage for a vehicle that is owned by the Employee, but is used on the City’s behalf for City business purposes.

“Primary Insurance” refers to Motor Vehicle Liability Insurance that first covers up to the policy's limit whether or not other policies cover the same risk.

“Supervisor” refers to an Employee whose responsibilities include managing the job performance of other Employees and who recommends actions related to hiring, compensation, and performance appraisal of those Employees.

“Supplemental Business Insurance” refers to Motor Vehicle Liability Insurance that an insurance company may require to be purchased based on the frequency of Business Travel and/or the requirement to carry passengers.

“Third Party” refers to a person or group involved in an accident other than the Employee (first party) and their insurance company (second party).

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3. RESPONSIBILITIES

3.1 Employee

- a. Must complete the Employee Insurance Declaration form upon approval of this Policy, or upon commencement of employment, if their position has been identified by their Supervisor, based on their duties, as one requiring Business Travel.
- b. Must inform their insurance company of their requirement for, and frequency of Business Travel and confirm with their insurance company whether they require Supplemental Business Insurance coverage.
 - i. If Supplemental Business Insurance coverage is required, must inform their insurance company that insurance coverage for Motor Vehicle Liability Insurance in the minimum amount of two million dollars (\$2,000,000) is the required amount for Supplemental Business Insurance coverage.
- c. Sign and submit an Employee Expense Claim form for all business related mileage expenses. By signing and submitting the mileage claim, the Employee is confirming that they have informed their insurance company that they are using their personal vehicle for Business Travel, and in the event that they require Supplemental Business Insurance, that they carry two million (\$2,000,000) of Motor Vehicle Liability Insurance coverage.
- d. Seek the most cost effective mode of transportation and accommodations when making travel arrangements. Depending on the distance required to be travelled, all transportation options should be considered such as rental car, bus, airplane or train.

3.2 Supervisor

- a. Identify positions within their department that require Business Travel.
- b. Approve Employee travel.
- c. Review and approve Employee travel expense claims and maintain a dialogue with the Employee regarding the required insurance coverage.
- d. Ensure that all travel outside of Canada is approved by the City Manager.

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3.3 Human Resources

- a. Advise all Employees of their responsibilities with respect to Business Travel and expenses as outlined in the Policy.
- b. Retain completed and signed Certificate of Motor Vehicle Coverage and Employee Insurance Declaration forms.

3.4 Finance

Maintain all related expense forms with current reimbursement rates as set out in this policy.

4. USE OF CITY VEHICLE

- 4.1 City owned vehicles are to be used for City approved business only. Staff whose duties necessitate the use of a City owned vehicle may stop for minor convenience purposes such as stopping for food, fuel or to use a washroom.
- 4.2 City owned vehicles may only be used as an Employee's primary vehicle if required under their terms of employment.
- 4.3 Employees with approval to use a City owned vehicle must not use their personal vehicle for Business Travel, unless prior approval is obtained from their Supervisor.

5. USE OF PERSONAL VEHICLE FOR BUSINESS TRAVEL

- 5.1 Employees using their personal vehicle for Business Travel shall be compensated at the published rate for vehicle travel expenses in accordance with the Canada Revenue Agency for the Province of Alberta. This rate will be followed for each tax year. This rate is intended to cover the cost of using their personal vehicle, including vehicle maintenance and fuel costs.
- 5.2 The City will reimburse an Employee up to three hundred dollars (\$300) for Supplemental Business Insurance coverage once they have submitted, to their Supervisor, a Certificate of Motor Vehicle Coverage form from their insurance company identifying the additional premium costs incurred and a completed Employee Expense Claim form.
- 5.3 The owner of the motor vehicle is responsible to maintain Motor Vehicle Liability Insurance and legally that insurance will be considered the Primary



ADMINISTRATIVE POLICY

BUSINESS TRAVEL AND EXPENSE

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Insurance policy. The City's Non-Owned Automobile Insurance will be applied only to Third Party claims over and above the Primary Insurance held on the vehicle. Liability coverage will not be afforded for physical damage to an Employee's motor vehicle used for Business Travel or personal injuries to an Employee. The Employee will be eligible for non-auto coverage under the Worker's Compensation Board (WCB).

6. RELATED TRAVEL EXPENSES

- 6.1 Other means of transportation and related expenses will be paid on submission of receipts.
- 6.2 All travel outside of Canada must be approved by the City Manager.
- 6.3 Accommodation and meal expenses will be paid at reasonable actual costs upon production of receipts or statements. In the event there are no receipts available, the City will reimburse meal expenses at the rates published by the Treasury Board of Canada Secretariat. These rates will be followed for each calendar year.
- 6.4 If a spouse/partner accompanies an Employee on City business, the expenses of the spouse/partner for travel and meals are considered a personal expense and not covered by the City.

RELATED DOCUMENTS

Procedure 9,011 Corporate Vehicle
Employee Expense Claim Form

ATTACHMENTS

Attachment "A" - Business vs. Personal Travel
Attachment "B" - Insurance Requirements Decision Tree
Attachment "C" - Certificate of Motor Vehicle Coverage
Attachment "D" - Employee Insurance Declaration

APPROVAL

City Manager: Original signed by Robert Cotterill Date: June 27, 2016

POLICY 9,053CM - ATTACHMENT “A”

DEFINITION OF BUSINESS TRAVEL

“Business Travel” refers to travel by an employee on approved City business in the performance of their employment duties. This does not include travel for personal business or daily commuting between home and the workplace.

BUSINESS vs. PERSONAL TRAVEL

The application of this Policy is intended to provide fair reimbursement to employees; that is, reimbursement that neither penalizes nor benefits either the City or the employee. The following are some examples to assist with the interpretation of business versus personal travel.

1. There is a course in Edmonton that an employee is required to attend and the employee travels directly between home and the course.

The travel directly to/from an out of town course and home is considered business travel. If the employee travels, firstly, to work from home and then later goes to the out of town course, travel is reimbursed between work and Edmonton.

2. An employee’s normal work location is City Hall, but one day a week the employee travels directly to another work location to provide training. Does this employee claim mileage between home and the training location?

No, the travel home to this alternate work location and back home at the end of the day would be considered personal. This offsite alternate location training occurs on a regular basis; therefore it does not fall under the Canada Revenue Agency’s (CRA) exception.

3. There is a conference in Calgary that an employee is required to attend and the employee travels from home to their normal work location and then on to the conference.

The travel directly from work to the out of town conference or training is considered business travel while the travel from home to work is personal. On the return trip, if the employee drives directly home, then the travel from Calgary to home is considered business travel. However, if the employee returns to work and then later goes home, travel is reimbursed between Calgary and work.

4. A City hosted holiday event is scheduled during the work week at a local hotel in Spruce Grove. Although all employees are encouraged to attend, the event is not

mandatory. Does an employee claim mileage between their normal work location and the location of the hotel?

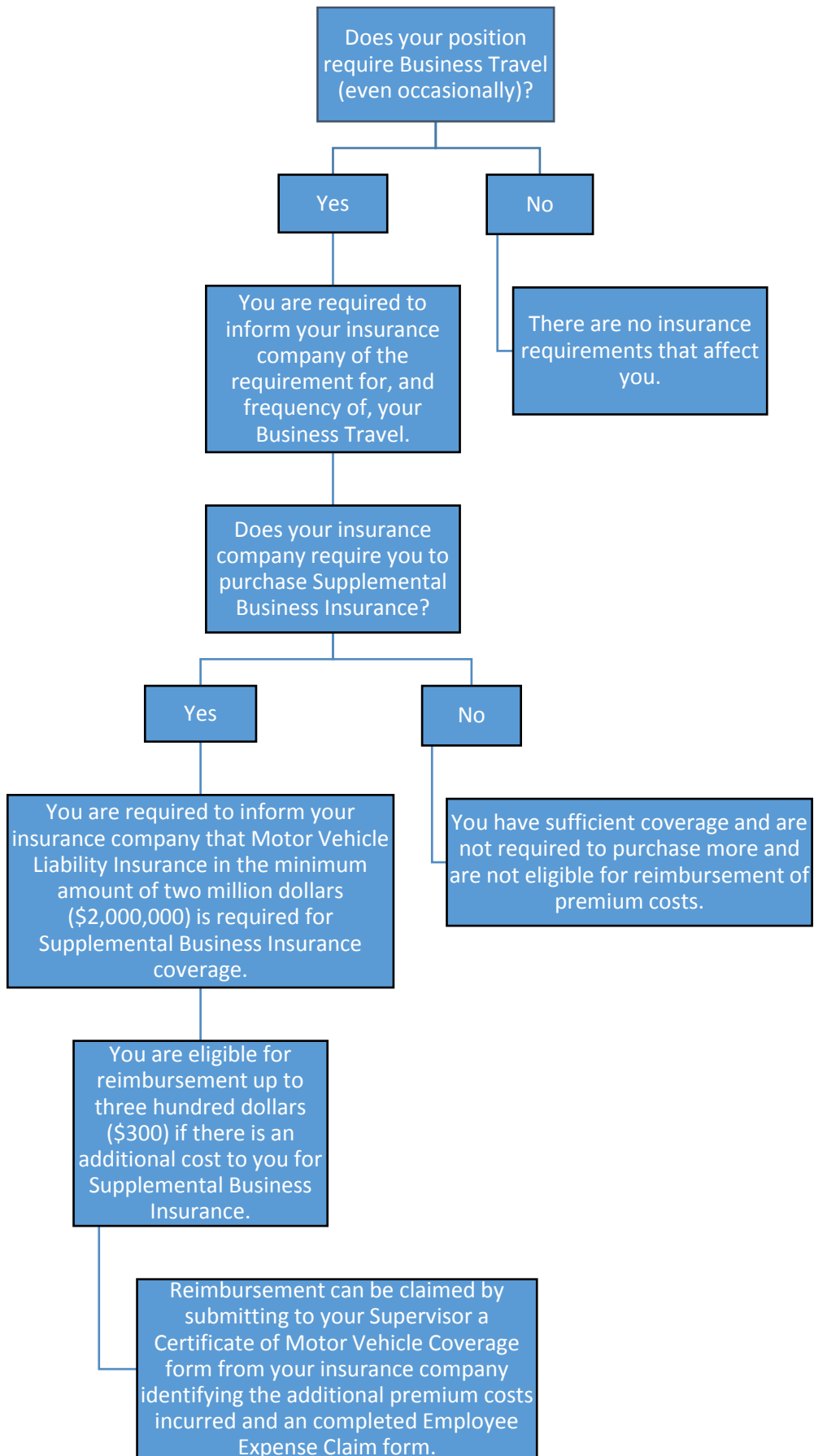
No, the travel from the normal work location to the location of the City sponsored holiday event would be considered personal.

5. The employee's normal work location is the Public Works Building. Throughout the day the employee travels between their normal work location to various work sites as well as City Hall.

Travel from home to the Public Works Building is considered personal travel. All travel between the Public Works Building, the work sites and City Hall during the day is deemed as business travel and can be claimed.

POLICY 9,053CM - ATTACHMENT "B"

How Do The Insurance Requirements for Business Travel Affect You?





POLICY 9,053CM - ATTACHMENT "C"

**CERTIFICATE OF MOTOR VEHICLE INSURANCE COVERAGE
Supplemental Business Insurance**

NAME: _____

POSITION/TITLE: _____

DEPARTMENT: _____

INSURANCE CO: _____

POLICY NUMBER: _____

POLICY PERIOD: (FROM) _____ (TO) _____

EXPECTED USE OF PERSONAL VEHICLE FOR WORK PURPOSES (Frequency and/or Distance):

TO BE COMPLETED BY INSURANCE BROKER / AGENT

This is to certify that the person named above has notified this company that he/she claims for mileage or draws a mileage allowance from the City and uses his/her insured automobile while on City business. The City of Spruce Grove requires a limit of liability of at least **\$2,000,000 inclusive** in respect to any one occurrence if Supplemental Business Insurance coverage is required. Should this policy be cancelled before the expiry date for any reason, the City of Spruce Grove must be promptly notified.

Notification sent to: Attention: Human Resources, City of Spruce Grove, 315 Jespersen, Spruce Grove, AB T7X 3E8

Please declare if there is an additional cost to the employee for business use coverage as opposed to the same coverage for private use (private use includes transportation to and from work). \$ _____.

I certify that the above information is, to the best of my knowledge, true and correct.

Name of Insurance Broker / Agent

Signature of Authorized Representative

Date

POLICY 9,053CM - ATTACHMENT "D"

EMPLOYEE INSURANCE DECLARATION

In accordance with Policy 9,053CM – Business Travel and Expense, any employee using a personal vehicle for City business must maintain their own Motor Vehicle Liability Insurance. This is because Motor Vehicle Liability Insurance is associated with the owner of the vehicle. Depending on your insurance provider, you may be denied coverage if you are using your vehicle for business purposes if you have not notified them of such activity. Therefore, it is important to contact your insurer and discuss your options. Please note that your supervisor is required to deny mileage expense claims if evidence of insurance coverage is not received.

EMPLOYEE INSURANCE DECLARATION

- I hereby undertake to inform my insurer that I use my personal vehicle for Business Travel, the frequency of the Business Travel and to confirm with my insurer whether I require Supplemental Business Insurance.
- I hereby undertake to maintain a minimum of \$2,000,000 Motor Vehicle Liability Insurance if Supplemental Business Insurance coverage is required by my insurer.
- I hereby undertake to advise my supervisor should my insurance coverage be discontinued for any reason.
- I hereby undertake to maintain my vehicle in sound mechanical condition.
- I hereby declare that I have a valid driver's license and will advise my Supervisor if my driving privileges have been modified or revoked.

Employee Name (Print)	Employee Signature	Employee ID	Date
Supervisor (Print)	Supervisor Signature	Date	

Please forward completed form to your Human Resources Business Partner.

HR Representative (Print)	HR Representative Signature	Date
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