



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Service Department

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	May 9 th , 2016
SUBJECT/REPORT NO:	Policy For Business Travel, Seminars and Conferences – Amendments (FCS16036) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Bev Neill 905-546-2424 ext. 6274
SUBMITTED BY:	Mike Zegarac General Manager Finance & Corporate Services Department
SIGNATURE:	

RECOMMENDATION

That the Policy for Business Travel, Seminars and Conferences as amended – attached as Appendix “A” to Report FCS16036 be approved.

EXECUTIVE SUMMARY

The Policy for Business Travel, Seminars and Conferences has been revised and is attached as Appendix “A” to Report FCS16036. This policy outlines the expenses eligible for reimbursement and the authorization requirements for attendance at business events, seminars, conferences and other business expenses incurred during the conduct of approved City of Hamilton business by Elected Officials and City of Hamilton employees. Changes are being made to address areas of concern regarding approvals and reporting and to ensure per diem rates are current.

Alternatives for Consideration –Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Staff has estimated that the cost of travel for the City could increase by approximately \$10,000 to \$12,000 corporate wide with the implementation of the new Canadian and US dollar rates. The number of travel forms processed for 2014 (291) and 2015 (263), using an average of three per diems per trip, was calculated with the new rates to provide this estimation. The current US exchange rate was used in this calculation and substantially impacts the estimated increase. It should be noted that the estimated amount could be less as many per diems are reduced to account for meals that are provided at most conferences and seminars.

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Staffing: None
Legal: None

HISTORICAL BACKGROUND (Chronology of events)

On December 9th, 2009, Council report #09.017 Item 6.3, Policy for Business Travel, Seminars and Conferences was approved by City Council. Since that time a review of the policy has been completed in order to identify areas of concern and to ensure the policy is current.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Approving the attached Policy, Appendix “A” to Report FCS16036 will result in the revision of the current Policy for Business Travel, Seminars and Conferences most recently approved by City Council on December 9th, 2009.

RELEVANT CONSULTATION

Finance and Administration Managers
Planning and Economic Development - Director of Open for Business, Director of Economic Development
Internal Audit – Acting Director of Audit Services
Administrative Coordinators Committee
City of Hamilton Senior Management Team
Other Municipalities – Durham, Mississauga, Windsor, Toronto, Ottawa, Halton, Peel, Waterloo, Niagara

**ANALYSIS AND RATIONAL FOR RECOMMENDATION
(Include Performance Measurement/Benchmarking Data if applicable)**

The current policy has been amended as follows:

- Provides City Manager with the ability to delegate to General Managers the authorization for travel outside of Canada.
- Per diems for travel within Canada have been increased to \$75.00 for each overnight stay to better reflect current costs.
- Per diems for travel outside of Canada have been increased to \$100.00 USD for each overnight stay to minimize the impact on the traveller’s purchasing power resulting from exchange rate fluctuations.
- A reduced per diem option has been added for employees travelling and or entertaining for the purpose of promoting the City of Hamilton in the areas of Tourism and Economic Development. Receipts for meal expenses must be submitted in order to receive reimbursement.

- Guidelines have been added for the reimbursement of mileage and other expenses incurred while an employee is conducting activities necessary to the performance of their job duties.

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)

N/A

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.2 Build organizational capacity to ensure the City has a skilled workforce that is capable and enabled to deliver its business objectives.
- 3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS16036: City of Hamilton Policy for Business Travel, Seminars, and Conferences

CITY OF HAMILTON POLICY FOR BUSINESS TRAVEL, SEMINARS AND CONFERENCES

POLICY

This policy governs the reimbursement of travel, hospitality and other business expenses incurred during the conduct of approved City of Hamilton business. It is the City of Hamilton's policy to reimburse employees for ordinary, necessary and reasonable expenses when directly related to the transaction of approved City of Hamilton business. All employees of the City of Hamilton, Hamilton Police Service, City Housing Hamilton (CHH) Corporation and the Hamilton Public Library are to follow this travel policy as amended and approved by their individual boards. All members of Council will follow and uphold the requirements of this policy.

Directly related expenses are those in which there is the expectation of deriving some current or future benefit for the City of Hamilton, the employee is actively engaged in a business meeting or activity necessary to the performance of the employee's job duties, or, in the case of hospitality, there is a clear business purpose.

Reimbursement for expenses that are not in compliance with this Policy requires the prior written approval of the City Manager.

AUTHORIZATION AND REGULATIONS

Requests for reimbursement of business expenses must be approved and submitted using the following documentation and regulations.

SECTION 1 – Business Travel for Conferences, Seminars, Special Events

This section provides the guidelines for travel for attendance at Conferences, Seminars and Special Events. A Travel Expenses form must be completed and authorized.

1. ATTENDANCE AUTHORIZATION

Attendance by Elected Officials at any conference, seminar or other business travel requires Council Approval where applicable.

Employee travel to attend conferences, seminars or other business travel requires the following approvals:

- a) Travel within Ontario must be approved by the immediate supervisor and the Manager or above.
- b) Travel outside of Ontario but within Canada must be approved by the immediate Manager and Director or above.
- c) Travel outside of Canada must be approved by the immediate Manager and the City Manager and or designate. The City Manager's travel outside of Canada must be approved by the Mayor.

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Note: Page 1 of the Travel Request/Evaluation Form must be completed and approved for all Employee travel to attend conferences, seminars or other business travel that requires an overnight stay. Approval is required prior to incurring costs.

2. GUIDELINES

- a) A Travel Expense Form must be submitted for approval, as outlined in Section 1, prior to any travel expenses being incurred or committed to. Payment for travel expenses incurred or committed to prior to obtaining documented approval will be the sole financial responsibility of the employee if the travel request is denied.
Note: A Travel Request/Evaluation form must also be completed for all travel that requires an overnight stay.
- b) Supporting documentation must be attached to the Travel Expense Form and must clearly identify the event attended, date of the event and purpose of the event. A copy of the conference, seminar or event agenda is required providing information on cost, location, dates and meals. Printed estimates for airfare, airport transportation and other costs must be provided.
- c) An approved Travel Expense Form, with the supporting documentation, must be submitted to Accounts Payable with any request for payment of a travel advance, registration fee or other travel expenses in advance of the trip.
- d) Travel advances will not be made for less than \$250. If the estimated cost of out of pocket expenses is less than \$250, the employee will be reimbursed upon submission of the final Travel Expense Form. Requests for cash advances are not mandatory and discretion should be used when determining the requirement for each trip.
- e) Application for travel advances will be signed by the claimant indicating authority for the City to recover through the Payroll system any advances unaccounted for.
- f) All fees paid prior to the conference, referred to as prepaid expenses, must be reflected on the Travel Expense Form that is submitted for reimbursement. All costs related to the travel must be included on the form so the approver is aware of the final costs for the employee's attendance.
- g) Actual travel submissions that are greater than the original approved, estimated cost of travel require further approval before finalizing the travel expense form.
 - Actual cost that exceeds the estimated cost by less than **10%**, must be approved by departmental signing authority as outlined in Section 1 above.
 - If the actual total cost exceeds the estimated total cost by **10%** or more, travel must be approved by the City Manager and or designate.

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- h) In exceptional circumstances, the City Manager may approve staff expenses over or outside the limits of this policy.

3. TRANSPORTATION

The most economical and efficient mode of transportation must be used as follows:

- a) Economy airfare including all applicable taxes, surcharges and cancellation insurance:

- Upgrades from economy airfare will be acceptable for non North American air travel to no higher than business class in recognition of the travel times involved.
- The cost of seat selection will be reimbursed.
- Expenses incurred to change travel plans are allowable provided the changes are a result of mandatory City Business. Only charges relating to the employee are reimbursable.
- Luggage cost charged by airlines is reimbursable.
- The cost of passports **will not be** reimbursed.

- b) Train/bus fare when applicable.

- c) Transfer fees to and from transportation terminals at points of departure and arrival must be the most economically feasible method available as circumstances warrant. Parking expenses must be included in this cost decision.

- d) Car rental, including fuel purchases, instead of public transportation may be claimed providing it is more economical or if required under certain circumstances. A reputable rental company must be used to ensure adequate insurance coverage is secured. A national rental chain is considered to be a reputable company as opposed to a local operation.

- e) Where an individual uses his/her own car for business travel to attend Conferences, Seminars or Special Events, mileage from home to the event or from their regular place of work to the event, whichever is less may be claimed. Employees are responsible for ensuring that they have adequate insurance coverage. The current applicable mileage rate for the use of personal automobiles on City business will be reimbursed. This rate is determined by the current corporate rate, or by collective agreements for unionized employees. While operating a personal automobile on City business, the individual is

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responsible for all vehicular costs, for example, repairs, fines, fuel insurance, deductibles, etc.

- f) Unless exceptional circumstances apply (see note below), the charges for the use of a personal automobile shall not exceed the equivalent cost of economy airfare, plus airport parking and transfers.
- g) Handling charges for bulky items such as exhibits are permissible provided they are indicated separately on the advance form and pre-approved. Receipts should be obtained where at all possible; however, expenses without receipts will be reimbursed if they were pre-approved and are reasonable (in the opinion of the department head) and equal to or less than the pre-approved amount.
- h) Use of personal automobile may be appropriate when traveling with bulky displays or traveling in groups. Written justification (supported cost comparison) for use of personal automobile when air or train travel appears to be the most appropriate means of transportation must be obtained at the time of initial authorization to attend.
- i) Shared transportation is encouraged when appropriate.

4. ACCOMMODATION

Reasonable accommodation expenses where overnight accommodation is required are allowable as follows:

- a) The accommodation chosen must be the most economical and advantageous to the conduct of City business.
- b) The actual cost of a single room will be allowed provided such cost does not exceed the "Government Rate" when available.
- c) Subject to budgetary funding, double occupancy may be required at the discretion of the Approver providing the employee is in agreement.
- d) Receipts are required in support of all such expenses and must show the place, date and number of days or part days and the rate per day for single occupancy.
- e) Internet charges for business use on hotel bills will be reimbursed. Other incidental expenses detailed on the hotel bill such as movies or meals **will not be** reimbursed because they are covered by the per diem reimbursement.

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5. PER DIEMS

A Per Diem represents the maximum that will be paid without receipts when an overnight stay is required. Department heads may approve a lesser amount and in some departments, Per Diem amounts are stipulated in a union contract. The Per Diem allowance covers the cost of meals, gratuities, personal telephone charges (other than reasonable telephone charges for calls to family at home which is not to exceed one per day) and all other incidental expenses and will apply only when overnight accommodation is required.

- a) For travel within Canada, a \$75.00 per diem can be claimed for each overnight stay. Per diem rates include a \$20 allowance for incidentals. Expenses can be claimed for the final day by submitting actual receipts.
- b) For travel outside of Canada, \$100 USD per diem can be claimed for each overnight stay. Per diem rates includes a \$20 allowance for incidentals. Expenses can be claimed for the final day by submitting actual receipts.

NOTE: Currency rates used should reflect the prevailing rate at the time of exchange as closely as possible. If actual rates are not available, convert using the Bank of Canada exchange rate for cash for the first day of travel.
<http://www.bankofcanada.ca/rates/exchange/10-year-converter/>

NOTE: Employees travelling and or entertaining for the purpose of promoting the City of Hamilton in the areas of Tourism and Economic Development can opt to receive a \$25 Per Diem (CDN within Canada, USD outside of Canada) for each overnight stay that will not be reduced for meals included with registrations. Receipts for all meals must be provided and if hosting, details regarding the number of guests and organization they represent is required.

- c) Where some meals are provided by either the event registration or the airline, the per diem **will** be reduced by the applicable meal allowance as follows:

Travel within Canada – (CDN) \$15 breakfast, \$15 lunch, \$25 dinner

Travel outside of Canada – (USD) \$20 breakfast, \$20 lunch, \$40 dinner

- d) Under **extenuating** circumstances staff traveling under this policy may be reimbursed for meals upon submission of receipts even if the meal is supplied by the conference. In this circumstance, there must be a valid reason for the person not being able to attend the meal as supplied by the conference.

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- e) When overnight accommodation is **not** required, reasonable meal expenses, that are not included with registrations, will be reimbursed based upon submitted receipts.
- f) When it is necessary to entertain clients while traveling, detailed receipts must be submitted indicating what was purchased, who was entertained and the reason. The applicable meal allowance will be deducted from the per diem for the employee meal claimed as part of this hospitality receipt.
- g) While this policy addresses the maximum that the City will pay for travel, the individual may choose to upgrade at his/her own expense. If paid directly by the City, reimbursement must be received at time of claim submission. Examples *include additional accommodation expenses for an accompanying spouse or extended stays.*

6. INSURANCE

- a) City employees and Elected Officials have coverage under the City's group plan for in country travel. *Employees and Elected Officials will be reimbursed for additional medical coverage they choose to purchase for out of country travel **only**.* An appropriate receipt substantiating this claim is required when submitting this expense.
- b) If personal insurance assessments are increased due to the regular use of a personal car for business travel, a request for reimbursement including documentation substantiating the claim can be made to Accounts Payable for an amount as approved by Council or specified in the collective agreement.

7. EXTENDED STAYS

- a) At times, and with prior written authorization, special travel savings may be available to the City if the individual traveling stays longer than the duration of the business stay. Reimbursement of costs for extended stay will be made only if it can be demonstrated that there are overall cost savings associated with the extended stay. Any loss of work days due to the "extended" travel will be deducted from the employee's vacation, overtime bank or lieu day entitlement. Savings must be substantiated by airline quotes, etc.
- b) Sometimes employees pay for extended stays themselves. This is allowable as long as it can be proved ahead of time that there is no

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cost to the City for this extended stay, and the employee uses their vacation, overtime bank or lieu day entitlement time.

- c) If a stay has been extended due to uncontrollable circumstances, such as delayed/cancelled flights due to bad weather, the employee will be reimbursed for reasonable meal and hotel costs. Receipts are required.

8. ITEMS NOT ALLOWABLE

Claims for reimbursement will **not** be allowed for:

- a) Personal Effects and Services – Claims for loss of personal effects, for medical and hospital treatment, for purchase of trunks, hand luggage, clothing and other personal equipment, or for personal services such as, shoe shines, valet services and other personal expenses.
- b) Items not substantiated by receipts, except for per diem claims, will not be reimbursed.
- c) Gratuities are covered by the per diem. They are to be excluded from reimbursement unless justifiable circumstances.
- d) Long distance phone calls are covered by the per diem. They are to be excluded from reimbursement as appropriate **unless** these calls were made for City business and in consideration of being out-of-town on City business, one call per day to family at home will be allowed. These must be properly identified on the hotel and/or cell bill.

9. REPORTING

- a) All expense claims/reimbursements must be submitted to the Financial Services Division within 30 working days of the event. Claims without travel advances are subject to the same deadlines. Receipts for the refund of unused advanced funds must be attached to the final Travel Expense form that is submitted to Accounts Payable.
- b) If an employee's expense claim "actual" is overdue under this policy, the individual will be notified in writing with a copy to the General Manager. Elected officials with an overdue "actual" expense claim form will be notified in writing. Additional expense claims/advance requests including mileage claims and all other reimbursements will not be processed until the past due actual has been received.
- c) Expenses unsubstantiated by proper receipts are not allowable. Travel expenses which have been submitted without receipts will automatically be processed in Accounts Payable by deducting the

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unsubstantiated amount. If this action causes the advance to exceed the adjusted claim, the employee will be notified and required to pay the difference. Should the payment not be made within a reasonable time period, the city reserves the right to deduct the amount owing to the City from the employee's pay.

- d) Completed Travel Request/Evaluation forms (Appendix A) are required for all travel that requires an overnight stay.
 1. Page 1 must be completed and approved for all conferences, seminars or trips that required overnight accommodation prior to registration/booking.
 2. Page 2 must be completed upon employees return.
 3. Completed forms are retained within the Department's Finance and Administration section and will be accessible for future review if required.

SECTION 2 - Mileage and Other Expenses

This section provides guidelines for reimbursement of expenses incurred while an employee is attending meetings or performing activities necessary to the performance of the employee's job duties. Some examples are, home visits, site inspections and training. A Mileage and Other Expenses form must be completed and authorized.

AUTHORIZATION

- a) Mileage and Expense Claims must be approved by the employees' Manager.

1. GUIDELINES

- a) All mileage and other expenses incurred while an employee is actively engaged in a business meeting or activity necessary to the performance of the employee's job duties, or, in the case of hospitality, there is a clear business purpose must be reported on the Travel and Other Expense Form. Receipts are required for all incurred costs except mileage.
- b) Where an individual uses his/her own car for business travel their personal insurance rates may be affected. Employees are responsible for ensuring that they have adequate insurance coverage. The current applicable mileage rate for the use of personal automobiles on City business will be reimbursed. This rate is determined by the current corporate rate, or by collective agreements for unionized employees. While operating a personal automobile on City business, the individual is responsible for all

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vehicular costs, for example, repairs, fines, fuel insurance, deductibles, etc.

- c) "Reporting Location" is defined as an employee's **regular** place or work. An employee may have multiple regular reporting locations. Mileage cannot be claimed for travel to and from an Employee's home and work location/s.
- d) Mileage is allowable when an employee is required to travel **additional** kilometers over and above the distance travelled on a daily basis to and from home to their regular work location/s. This includes, but is not limited to, mileage incurred for training, client home visits, business meetings, evening events and reporting to temporary work locations. If kilometers travelled in a day are equal to or less than travelling to and from the regular work location, no mileage claim is allowable.
- e) Parking costs incurred when attending training, client home visits, business meetings, evening events and reporting to temporary work locations meetings are allowable. Receipts must be provided.
- f) Address details for the To and From locations for each trip must be recorded on the Mileage and Other Expense Form.
- g) The number of trips, as outlined by Canada Revenue Agency, must be recorded on the Mileage and Other Expense Form.

APPENDIX

Appendix "A" Request for Travel/Evaluation Form

REFERENCE

Travel Expense Form

Mileage and Other Expenses Form

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TRAVEL REQUEST FORM – PAGE 1

(Required for all travel requiring overnight stay)

_____	_____
Employee Name	Employee Position
_____	_____
Department/Division	Event & Dates
_____	\$ _____
Location of Event	Estimated Cost

BENEFITS *(Select all that apply)*

- Improved Job Performance (attendee or others)
- Improved Service Delivery
- Improved Customer Service
- Provides Networking Opportunities
- Relates to one of the City's Priority Projects/Strategies
- Assists in finding the best way to use today's resources to meet both current and future needs. (Vision 2020)**
- Contributes to improved budgetary performance by: (Select all that apply)
 - Reducing Costs
 - Revenue Generation
 - Greater Productivity

Provide comments below that will assist in determining the value of the requested travel.

Note: Complete Page 1 and obtain approval prior to incurring costs *(Retain form until return)*
Complete Page 2 and attach to Actual Travel Expense Form *(Completed form retained by Department's Finance and Administration Section)*

Employee Signature

Approved By

Date

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TRAVEL EVALUATION – PAGE 2

(Complete this side of form and forward to Departmental F & A)

Total Actual Cost: \$ _____

Please provide explanation if actual cost is greater than 10% of estimated cost

Please rate the event (1 is very poor, 10 is excellent)

Received value for money spent	1	2	3	4	5	6	7	8	9	10
Event content met expectations	1	2	3	4	5	6	7	8	9	10
Recommend future attendance for self or others		Yes	No							

Please provide one or more findings from your attendance at this event that should be shared with your fellow employees or senior management of the Department and Corporation.

Employee Signature

Approved By

Date