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**CATEGORY: FINANCIAL MANAGEMENT**

**SUBCATEGORY: EXPENDITURES**

**SUBJECT: BUSINESS EXPENSE ACCOUNTS – MEMBERS OF COUNCIL**

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## **1. PURPOSE**

This policy provides Members of Council with guidelines for reimbursement of expenses for business travel and incidental business expenses.

## **2. SCOPE**

This policy applies to Members of Council.

## **3. POLICY STATEMENT**

Members of Council are accountable to the public and are responsible for ensuring that their expenses clearly and directly relate to the business of the Region of Peel. Members of Council may attend Regional business related event(s), travel on Regional business at the Region's expense and be reimbursed for Regional constituent related expenses. Members of Council may travel to promote the economic development of the Region of Peel. The Region of Peel provides a term allowance to reimburse Members of Council for reasonable business expenses incurred while travelling on Regional business and incidental business expenses. [Appendix A](#) shows the current term allowance for each Member of Council. If the Member of Council is elected or appointed after the term has officially commenced, the term allowance will be pro-rated.

## **4. AUTHORIZATION**

Members of Council Business Expense Claims are reviewed for compliance with this Policy and approved by the Commissioner of Finance and Chief Financial Officer ("CFO") (or designate).

## **5. DEFINITIONS**

**5.1. Insurance:** Adequate coverage on personal vehicles that the Member of Council is responsible for maintaining.

**5.2. Members of Council:** Includes all Region of Peel Councillors and the Regional Chair.

**5.3. Municipal Organizations:** Recognized organizations established to represent the collective general interests of municipal corporations.

**5.4. Normal Workplace:** 10 Peel Centre Drive, Brampton, ON.

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**5.5. Per Diem:** A daily allowance intended to cover the cost of meals, gratuities, personal telephone charges, and all other expenses of events other than registration, hotel or overnight accommodation, business telephone charges, and transportation. [Appendix A](#) lists the per diem guideline.

**5.6. Prepayments:** Reimbursable expenses charged to the Member of Council prior to the event which can be expensed directly to the applicable account. Should the event subsequently not be attended, all reasonable efforts shall be made to recover these prepayments and credit them to the same account.

**5.7. Receipt:** An original document showing the payee, date, amount, Harmonized Sales Tax (“HST”) and description of goods or services paid by the Member of Council. A debit or credit card slip is not an acceptable receipt as it does not show details of the transaction. All claims for reimbursement, with the exception of the per diem, car mileage and public transit costs shall be supported by an original receipt. If the Member of Council does not have an original receipt, an explanation as to why the original receipt has not been submitted shall be provided.

**5.8. Regional Business:** Attendance at an event as a representative of the Region, to derive a benefit for the Region or to advance the interests of the Region.

**5.9. Reward Program:** Any program such as Air Miles Collector Program, Aeroplan, Frequent Flyer or other loyalty programs where free airfare, hotel or other items are earned.

## **6. REIMBURSABLE EXPENSES (What can be claimed)**

### **6.1. Car Mileage Rate**

- a) In order to retain its Income Tax free status, the transportation cost reimbursement rates are those set by Canada Revenue Agency shown in [Appendix A](#).
- b) Travel from home to a Member of Council’s normal workplace and back is considered by the Canada Revenue Agency as personal use of the vehicle and is not subject to reimbursement. Subsequent travel to other locations for business purposes is reimbursable but associated side trips for personal purposes such as lunch, personal deliveries, etc., are not.

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## **6.2. Events**

- a) All Members of Council may choose to attend events or conferences related to their duties as a Member of Council.

### **6.2.1 Travel Arrangements**

- a) Members of Council will make reasonable efforts to travel using the most economical cost alternative while being consistent with good business practices; and giving consideration to the impact on Peel's reputation.
- b) Travel arrangements for Members of Council can be made through the Regional Chair's Office, any Commissioner's Office, an outside agent or a local municipality, as desired. However, in making such arrangements, the Member of Council must ensure that sufficient expense allowance is available to cover the cost of the travel or event. The Manager, Accounting Services, Corporate Finance Division, should be contacted to determine the remaining term allowance. Any amount spent exceeding the term allowance will be paid personally by the Member of Council. Reimbursements exceeding the term allowance will be refunded by the Member of Council.

### **6.2.2 Attendance at Conferences**

- a) Members of Council are required to provide notice to Council with information about the conference, including where, when and the agenda topics prior to conference registration. After attending the conference, a summary must be submitted to Council for knowledge sharing purposes within 90 days of attendance at said conference. The summary should include the information gathered and the benefit of attending.
- b) The Member of Council shall notify the Regional Clerk of the notice and/or summary and same will be added to the Regional Council agenda for the next appropriate Regional Council meeting.
- c) Members of Council may attend up to three conferences per year. Attendance at each conference is limited to three Members of Council attending on behalf of the Region of Peel. Attendance at the conferences of the Federation of Canadian Municipalities ("FCM") and the Association of Municipalities of Ontario ("AMO") are exceptions and any Members of Council may attend. If more than 3

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Members of Council wish to attend a particular conference, permission must be sought from Regional Council. This is self-governed by the Members of Council.

### **6.2.3 Other Board or Committee Expenses**

- a) Members of Council who are appointed and endorsed by Regional Council as Regional committee members, or as committee members or officers of municipal organizations, shall be reimbursed for expenses incurred in performing the duties related to their appointment, in addition to the Member of Council's term allowance for business related events, presuming that the applicable organization has made no provisions.
  - i. Staff will report to Council regarding the final costs of the Committee trip/event and the outcomes of the trip/event.
  - ii. Should an opportunity to attend an event arise through the work of a Regional Committee, then only members of that Committee are permitted to attend, with any exceptions requiring Regional Council approval. A Committee member, without Regional Council approval, cannot appoint a designate (non-committee member) to attend the event.
  - iii. The Member of Council's portion of the expenses for the Committee trip/event shall be recorded and posted as expenses related to the Committee, and shall not be attributed to the Member of Council's Expense Account.
- b) Where the Regional Chair has approved a Member of Council to attend an event or act on the Chair's behalf, expenses incurred in carrying out the Chair's direction shall be charged to the Regional Chair's Term Allowance.
- c) Members of Council appointed as Members of the Police Services Board shall charge police related event costs to the Police Services Board.

### **6.2.4 Hotel Accommodations**

- a) Hotel accommodation is normally at the standard room rate available for the event, excluding meals. Reasonable efforts to arrange moderate rates for accommodation are to be made. If the conference hotel is fully booked, then a comparative priced hotel standard room should be booked. Hotel room charges in excess of such a standard room rate will not be reimbursed.

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### **6.3. Meals**

- a) The purpose of the meeting and the names of all attendees must be listed on the receipt. All expenses for meals are to be kept to a reasonable amount.
- b) Per diems may be claimed. [Appendix A](#) lists the current guideline for meals and incidental expenses (gratuities, personal calls, dry cleaning and other). The per diem can be claimed without receipts.
- c) Alcoholic beverages and/or consumable cannabis will not be reimbursed.

### **6.4. Registration Costs**

- a) Registration costs submitted for reimbursement should exclude the extra costs of personal entertainment, golfing, tours or meals associated with ancillary events such as sightseeing excursions or evening outings.

### **6.5. Other Expenses**

- a) Members of Council may claim for reimbursement as part of the Regional Council term allowance the following: constituent related expenses, business cards showing the Region of Peel, and home office equipment.
- b) Charitable donations shall be made in the Region of Peel's name, as per Canada Revenue Agency best practices.

#### **6.5.1. Internal Charge-back for the Use of Regional Services**

- a) Expenses related to the use of Regional resources and/or property such as mobile signs or meeting space in Regional facilities will be charged to the Member of Council's expense account based on the Region's costs as listed in the fees by-law or a price list.

#### **6.5.2. Newsletters**

- b) The constituent newsletter communication regarding Regional issues is considered an essential function. Expenses related to the newsletter include postage, letterhead, envelopes, printing, photocopying, photos and slides. The Regional portion of the total cost of the newsletter is based upon the proportion

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of space devoted to Regional issues. The Regional cost of one newsletter per Member of Council per year is covered within a separate account within the Region's Council Administration operating cost centre budget. The budget is allocated by ward population for each Member of Council. Any costs spent on newsletters exceeding a Member of Council's assigned budget are charged against the Member of Council's Expense Account. In an election year, no newsletters shall be distributed or any expenses reimbursed relating to newsletters from May 1 to the end of the Council term.

## **7. INELIGIBLE ELECTION RELATED EXPENSES**

- a) Under the *Municipal Elections Act, 1996*, the Region of Peel cannot provide a subsidy to any candidate in a municipal election. Therefore special conditions for expenses apply to the Members of Council during an election year.
- b) An election year begins at the start of the nomination period (May 1 of an election year) and ends with the end of the Council term.
- c) The Members of Council will not be allowed to use their Business Expense Accounts for constituent related expenses from May 1 to the end of the Council term.

Constituent related expenses include:

- Brochures
- Newsletters
- Posters
- TV and radio commercials
- Newspaper ads
- Mail outs
- Postage
- Letterhead
- Envelopes
- Printing
- Photocopying
- Photos
- Slides

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- d) Use of Regional facilities, property, vehicles or public spaces (including Regional mobile signs) are prohibited from use and cannot be expensed from Members of Council Business Expenses Accounts from May 1 to the end of the Council term.

## **8. CLAIMING EXPENSES (When it can be claimed)**

### **8.1. Local Travel (Within the Region of Peel)**

- e) Car mileage reimbursed.

**8.2. Event:** A conference, convention, annual meeting, workshop, seminar, training session, investigational or promotional travel, course, study tour, correspondence course, community ratepayer meeting, community relation event, charity fundraising function, retirement dinner and other business meeting.

**8.2.1. Local Event or Single Day Meeting:** An event within 100 kilometres of the Member of Council's normal workplace.

The following expenses may be reimbursed as required:

- a) Car mileage;
- b) Registration cost;
- c) Cost of a meal; and
- d) Hotel accommodation.

**8.2.2. Distant Event:** An event held in excess of 100 kilometres from the Member of Council's normal workplace.

The following expenses may be reimbursed as required:

- a) **Travel costs** to and from the event to a maximum of economy airfare, including if a personal vehicle is utilized, the car mileage at the standard rate up to the cost of an economy airfare. If the length of a flight is longer than five hours, the Member of Council may choose business class travel and be reimbursed for the cost of same. Reasonable efforts must be made to travel by the most economical route possible;
- b) **Trip cancellation insurance** where advance bookings or other discount fares are utilized;

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- c) **Vicinity travel costs** such as a car rental or taxi, if required by the nature of the event;
- d) **Registration cost;**
- e) **Hotel accommodation** for the duration of the event, plus one additional travel day, if required; and
- f) **Cost of a meal.**

If advance bookings or other discount fares require an extended stay to qualify for a reduced fare, additional costs may be claimed to the extent that the additional amount plus the actual fare and related trip cancellation insurance is less than or equal to the economy fare, at the time, to the same location.

#### **8.2.2.1. Out of Canada**

Claims must be converted at the foreign exchange rate prevailing at the time the costs were incurred, using either:

- a) the rate issued by the Treasury Section of the Corporate Finance Division for the month when the travel occurred; or
- b) the actual rate charged to the credit card as evidenced by a credit card statement.

## **9. RESPONSIBILITIES**

### **9.1. Member of Council will ensure that:**

- a) A business expense claim is submitted within 60 days of completion of the travel or incurrence of the expense;
- b) The expense has not otherwise been charged to the Region (including to a Region of Peel P-Card) or to a Committee, the local municipalities, Boards and/or Commissions;
- c) The business expense has been incurred by the Member of Council. In the event that rewards programs are used, only paid costs (e.g. fees, taxes) are submitted,



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not the full value of the airfare or other items or portions thereof paid for by redeemed points; and

- d) The Member of Council's office completes the Business Expense Claim and the Member of Council signs it prior to submitting the claim.

**9.2. CFO (or designate) will ensure that:**

- a) All items claimed have been verified as conforming to this Policy and all receipts are attached, as required.

**9.3. Corporate Finance Division will ensure that:**

- a) The Business Expense Claim has been reviewed before reimbursement;
- b) The Business Expense Claim conforms to Policy;
- c) Claims are processed in a timely manner; and
- d) Funds are deposited to the Member of Council's bank account.

**10. REPORTING**

- a) The CFO must report, on an annual basis, the Regional Council remuneration and expenses in respect of services as Members of Council, local boards or other bodies for the preceding year, by March 31<sup>st</sup>.
- b) Members of Council will receive their individual quarterly statements of expenditures showing term expenses incurred to-date and the Member of Council's remaining term allowance. Members of Council expenses will be posted on the Region of Peel website by the Office of the Regional Clerk on a quarterly basis. The quarterly statements will include payment information, if available, for Members of Council sitting as members on other bodies such as Conservation Authorities.
- c) This policy will be reviewed every four years prior to the municipal election.

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#### 11. SUBMISSION DEADLINE

- a) All claims should be submitted to Accounts Payable by March 31<sup>st</sup> of the following year.

<b>APPROVAL SOURCE:</b>	Resolutions 97-438; 99-822; CAO Directive C05-06; Resolution 07-300; CAO Directive C12-05; Resolution 2014-640; 2015-185; 2017-244; 2018-18
<b>ORIGINAL DATE:</b>	April 1997
<b>LAST REVIEW DATE:</b>	January 1, 2018
<b>LAST UPDATE:</b>	January 1, 2018
<b>EFFECTIVE DATE:</b>	January 1, 2018
<b>RESPONSIBILITY:</b>	Finance Department / Corporate Finance Division / Accounting Services Section

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## **APPENDIX A**

### **1. Expense Guideline:**

The per diem expense guideline is \$85 per day for travel on Regional business.

### **2. Mileage:**

The maximum Canada Revenue Agency car mileage rates for using personal vehicles for Regional business currently set as follows:

- \$0.55 per kilometre up to 425 kilometres per month; and
- \$0.49 per kilometre for any remaining kilometres per month.

### **3. Member of Council Term Allowance:**

For each Member of Council, the term allowance is **\$22,380** to attend Region of Peel business related events, to be reimbursed for Regional constituent related expenses and to cover the cost of constituent communications during the term of office.

The annual increase of the term allowance will be based on the previous year's Consumer Price Index (Canada, All-items) as announced in the federal budget.