

**Kilometrage Reimbursement for Use of Personal Vehicle
for City Business**

POLICY #:

DIVISION: Human Resources and
Accounting Services

DATE: December 31, 2011

PAGE : **Page 1 of 3****PURPOSE**

The purpose of this policy is to establish rules regarding the reimbursement, on a kilometrage basis, of expenses incurred when an employee is required and authorized to use their personal vehicle as the most practical and economical way to travel on City business. City business includes travel for local day-to-day work activities and for conference, seminar and business events.

APPLICATION and SCOPE

This policy applies to non-union employees.

The kilometrage reimbursement rate for union employees is identified in their respective collective agreements.

REIMBURSEMENT CRITERIA

The rules for reimbursement are:

- (i) The rate per kilometre reimbursed shall be \$0.52 per kilometre up to 5,000 kilometres annually, and \$0.46 per kilometre thereafter. This rate shall be set annually as the reasonable rate established by the Canada Revenue Agency (CRA) under section 7306 of the Income Tax Regulations, C.R.C., c.945 to ensure that the expense reimbursed is non-taxable income to the employee.
- (ii) The claim shall exclude the distance travelled to and from the employee's regular work location on a daily basis. Where an employee goes directly from home to an alternate work location, he/she shall be reimbursed only for the additional distance travelled, beyond the regular distance from home to the employee's regular work location regardless of their regular mode of transportation.
- (iii) An employee who receives a monthly Car Allowance cannot claim a kilometrage reimbursement.
- (iv) Employees are responsible for having adequate public liability and property damage insurance on their personal vehicle.

Kilometrage Reimbursement for Use of Personal Vehicle for City Business

POLICY #:

DIVISION: Human Resources and
Accounting Services

DATE: December 31, 2011

PAGE : **Page 2 of 3**

The following expenses will not be reimbursed if incurred while using a personal vehicle and conducting City business:

- (i) The cost of repairs to personal vehicle be it normal or as a result of an accident;
- (ii) The cost for rental of a vehicle during repair of personal vehicle; and
- (iii) The cost of fines, tickets or traffic violations.

REPORTING AND CONTROL

The kilometrage claim may be made bi-weekly each pay period, in case of regular use, or monthly. The Monthly Travel Expense Report must be signed by both the employee making the claim and the manager who is authorizing the claim and then submitted to Divisional payroll time entry staff for processing.

Any kilometrage claim for attendance at a conference/seminar or business trip shall be included as part of the overall request for reimbursement for the event and upon approval submitted to Corporate Accounts Payable for processing.

The Division Head should monitor, on a regular basis, the kilometrage claimed and ensure that a claim in excess of 1,000 km per month per employee is investigated. Alternative lower cost options (such as the use of a City pooled vehicle) should be reviewed in consultation with Fleet Services and implemented if appropriate. If the employee continues to use a personal vehicle then this practice should be documented and justified.

The Pension, Payroll and Employee Benefit Division (PPEB) will provide all Division Heads with a quarterly report showing kilometrage claimed per employee. Reports can be provided more frequently upon request.

An employee may annually request a completed and signed T2200 form (Declaration of Conditions of Employment) from the Pension, Payroll and Employee Benefit Division if during the year they routinely used their personal vehicle for business purposes.

The CRA may deem certain uses during regular working hours as "personal use" resulting in a taxable benefit. Accordingly, the CRA requires that Daily Trip Logs be maintained to track business and personal use. This log should include information related to the business destination such as the date, the name and address of the client, and the distance traveled to the client's place of business. It is the responsibility of each employee

**Kilometrage Reimbursement for Use of Personal Vehicle
for City Business**

POLICY #:

DIVISION: Human Resources and
Accounting Services

DATE: December 31, 2011

PAGE : **Page 3 of 3**

to maintain and retain these logs for up to seven (7) years and to provide them to the CRA upon request.

POLICY HISTORY

This policy replaces the revised Human Resources policy of January 21, 2008 and the Accounting Services Expense Claim policy, Section B titled "Use of Personal Auto".

CONTACT

(To be Determined)

APPROVED BY