



# **ATTACHMENT 10.4.3**

## **DRAFT EXPENSE REIMBURSEMENT POLICY AND PROCEDURES**

**(7 PAGES)**

## Expense Reimbursement 2018

<b>Unit:</b> <i>Finance</i>	<b>First Implemented:</b> <i>April 2010</i> <b>Effective From:</b> <i>&lt;&lt;Insert Date&gt;&gt;</i> <b>Review:</b> <i>31 July 2020</i> <b>Version:</b> <i>6</i> <b>Trim Reference:</b> <i>E698 and E1533</i>	<b>Origin:</b> Responsible Officer: <i>Finance Manager</i> Authorising Officer: <i>Chief Executive Officer</i>
--------------------------------	--	--

### Governance Use Only

#### Action / Status:

- To EMT for information on: *20 June 2018*
- Staff consultation required: *No*
- Review by Audit & Risk Advisory Committee: *Yes (for information only)*
- Approved by Council: *XX XX*

### PURPOSE/OBJECTIVES

This policy and the associated procedures aim to ensure reimbursement for expenditure incurred by staff and Councillors is reasonable and for bona fide Council purposes. The limits for expenses outlined in this policy and paid for using a Corporate Credit Card must also be adhered to. In general terms, expenditure should be able to withstand the 'public disclosure test' should that ever be necessary i.e. there should be no qualms about disclosing the expenditure and being able to defend both its purpose and the amount spent.

Staff and Councillors should only pay for Council expenses directly where the expenditure is authorised and the supplier is not willing to invoice Council. Staff and Councillors will only use their personal funds (ie. cash, credit card, etc) if they do not have access to a company credit card.

### SCOPE

This policy applies to all Mansfield Shire Council employees and Councillors.

### DEFINITIONS

<b>ATO</b>	Australian Tax Office
<b>GST</b>	Goods and Services Tax



## POLICY STATEMENT

The aim of this policy is to ensure that all reimbursements paid by Council to staff and Councillors are correctly expended, properly authorised and that adequate internal control systems are maintained in accordance with Section 140 of the *Local Government Act 1989*.

In relation to meals, accommodation and travel, employees and Councillors are entitled to claim reimbursement of expenses associated with the conduct of their work as an employee or representative of the Mansfield Shire Council, provided that it is a business related expense and is approved within Council's delegations of authority.

This may include meals and accommodation, conference registration, parking fees, taxis, travel, public transport costs and other expenses that are directly associated with the functions and responsibilities of the Mansfield Shire Council.

An expense for meals and accommodation will be considered reasonable where it does not exceed the relevant amounts set by the Australian Tax Office (ATO) as adjusted from time to time. Evidence of expense incurred and payment must also be provided. eg: original tax invoice and receipt.

The payment of gratuities and the purchase of liquor or entertainment are the responsibility of the employee or Councillor concerned.

## RESPONSIBILITIES

All Mansfield Shire Council employees and Councillors are responsible for adhering to and implementing this policy.

The Finance Department is the owner of this policy. Any reviews of this Policy must be made in consultation with the Finance Manager and the Senior Accountant.

Adherence to the Expense Reimbursement Policy will be overseen by all managers, with any associated procedures implemented by the Finance Manager.

Employees and Councillors are responsible for:

- obtaining approval(s) to incur expenses from immediate manager/ supervisor within their approved delegations. An employee or Councillor may not approve the expenditure or reimbursement of expenditure in relation to themselves.
- obtaining guidance and adhering to these guidelines on the limits and conditions that apply to any expense claimed.
- providing *original* tax invoices/receipts or other proof of amounts expended.
- ensuring all relevant details are recorded on the claim form.

The most senior officer responsible for a purchase that involves other staff members, such as hospitality where others are present, must be responsible and accountable for the payment of that expenditure.



## REFERENCES

*Local Government Act 1989*  
Australian Tax Office (ATO)  
Mansfield Shire Disciplinary Policy  
Mansfield Shire Council Enterprise Agreement 2016  
Fraud Prevention and Control Policy 2018

## IMPLEMENTATION

This Policy and its associated Procedures was reviewed in July 2018 and is effective immediately.

## REVIEW DATE

This Policy is to be reviewed by 31 July 2020.

Council reserves the right to review, vary or revoke this Policy at any time.

## AUTHORISATION TO IMPLEMENT POLICY

Signed: \_\_\_\_\_

Councillor

Witnessed: \_\_\_\_\_

Chief Executive Officer

Approval dated: XXX XX

**Mansfield Shire Council reserves the right to review, vary or revoke this Policy at any time.**



## Appendix A

### Australian Tax Office

The table below outlines Council limits for business related accommodation and meals. The payment of gratuities, the purchase of liquor or entertainment are regarded as the responsibility of the officer or employee concerned.

Limits are based on ATO rates and will be updated annually to match the Tax Determination for reasonable travel and overtime meal allowance expense amounts for the relevant financial year.

Item	Limit
Accommodation (Melb) per night	\$228.00
Breakfast (when not supplied as part of accommodation) per day	\$30.00
Lunch per day	\$42.45
Dinner per day	\$59.40

*Limits are based on ATO rates for 2018-19 (TD 2018/11 – table 2).*



# EXPENSE REIMBURSEMENT PROCEDURES

The following procedures are designed to ensure that all decisions relating to this policy are made in a consistent and open manner.

Any reimbursement to staff must be approved by the staff member's supervisor. Reimbursement to Councillors must be approved by the CEO.

There are two alternate methods for reimbursement, depending on the amount of expenditure, as described below:

## Petty Cash

Amounts under \$50 (inclusive of GST), can be reimbursed through Petty Cash. A Petty Cash Docket should be completed including the appropriate general ledger code and the nature of the expense. The relevant receipt should be attached to the Petty Cash docket. It must be signed by an appropriate staff member with the relevant approval limit, and submitted to a Customer Service Officer for reimbursement.

Petty Cash will be stored in the safe in the strong room. Petty Cash reimbursement is to only be undertaken at the back counter behind reception. At no time should the Petty Cash float be at the front counter. This will avoid any confusion with the Customer Service float and Petty Cash float.

Once the Petty Cash float reaches a minimum of seventy dollars (\$70) a Customer Service officer will present the reconciliation and Petty Cash float to the Accounts Payable Officer to process and replenish the float of three hundred dollars which will be returned to the Customer Service unit.

## Accounts Payable

Any amount over \$50 must be processed as a reimbursement through Accounts Payable.

A Prompt Payment Form is to be completed by the staff member or Councillor requesting reimbursement and approved by the supervisor in accordance with their financial delegation. A full description of the nature of the expense and the relevant general ledger code is to be detailed on the prompt payment form.

The relevant invoice must be attached to the prompt payment form. For items over \$82.50 (GST inclusive) a Tax Invoice must be obtained and attached accordingly.

The completed Prompt Payment Form together with the invoice is to be forwarded to Accounts Payable for processing in the next payment run.

## Travel

In accordance with the Local Government (General) Regulations 2015, all staff and Councillors are required to provide details of interstate and/or overseas travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity. The names of the members of Council staff or Councillors and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation



cost must be provided to the Governance Coordinator for inclusion in the public travel and expenses register.

When a staff member or Councillor is required to travel the following provisions apply:

- A Council vehicle will be made available for travel purposes.
- Council vehicles should be booked in advance.
- Car pooling should be facilitated where more than one Council member is attending the same event/meeting.
- If a Council vehicle is not available, public transport should be utilised where possible.

In the instance of approved Interstate travel:

- A Council vehicle will be made available for trips to NSW, the ACT or SA (if the employee or Councillor prefers); or
- Flights will be arranged.
- Whilst interstate, if a Council vehicle is not available, public transport will be utilised or a hire car arranged.

The use of private cars is discouraged and will not be approved unless a Council car is not available. Prior approval of a manager is required.

If the options above are exhausted and a staff member or Councillor is required to use their own car, the staff member will be reimbursed at the rates outlined in the Mansfield Shire Council Enterprise Agreement, and Councillors will be reimbursed at the ATO cents per kilometre rate for that given financial year (2018-19: \$0.68 – *MVE 2018/D1*).

### Meals

When a staff member or Councillor is required to travel for work purposes Council will reimburse up to the maximum in regard to accommodation and meals in accordance with the Appendix A of the Expense Reimbursement Policy.

Council will not cover or reimburse the cost of snacks, additional coffee or alcohol unless stipulated in Appendix A.

### Accommodation

When overnight accommodation is approved, Council will provide accommodation to a maximum value as listed in Appendix A of the Expense Reimbursement Policy.

Accommodation should be arranged to achieve the best value for Council, booking accommodation with breakfast and parking included as the preferred option.

Share accommodation, whilst not compulsory, is encouraged if mutually acceptable.

Where there are no suitable accommodation options available within the value listed in Appendix A of the Expense Reimbursement Policy, Council will cover the cost of the cheapest suitable accommodation.

Suitable accommodation is:

- Located within an easily accessible distance from the required venue
- Of a reasonable standard of cleanliness and safety.



Should staff or Councillors select to stay at accommodation that is more expensive, where suitable alternatives are available, Council will only cover costs to the value listed in Appendix A of the Expense Reimbursement Policy.

### Events

From time to time there may be a requirement to provide entertainment and/or beverages for Council purposes, e.g., civic receptions and the like. When catering for such events is clearly not the personal responsibility of the Council officer, the officer shall obtain approval for the purchase/provision of such items from their immediate manager prior to the occasion.

### Other Allowances

When required to travel by taxi or other public transport, Council will only cover the expenses that relate specifically to the function the staff member or Councillor is attending.

### Exemptions

Exemptions to this policy must be approved in writing by the relevant senior officer within delegation limits. When exemptions are approved, they will be documented in writing and attached to the payment documents when forwarded to accounts payable.