

Expense and Hospitality Policy

Date adopted by Council: February 25, 2025



1. POLICY STATEMENT

The Town of Lunenburg is committed to ensuring that all expenses and hospitality expenditures incurred by Town representatives are necessary, reasonable, and transparent. This commitment reflects the Town's dedication to accountability and responsible stewardship of public funds.

2. PURPOSE

The purpose of this policy is to establish high-level principles and responsibilities for claiming, authorizing, and reimbursing expenses and hospitality costs incurred by Town of Lunenburg representatives. Detailed procedural requirements are outlined in the accompanying Administrative Procedures.

3. SCOPE

This policy applies to all Town of Lunenburg representatives, including elected officials and staff, who incur expenses while conducting official Town business.

4. DEFINITIONS

"Business Meals" refer to meals taken during meetings between Town representatives where the primary purpose is to discuss official Town business.

A "conflict of interest" occurs when a Town representative's personal interests or the interests of their family could affect their official duties. This includes situations where their own or their family's personal, financial, or other interests might benefit from their official decisions.

"Incidentals" refer to minor, necessary expenses incurred by Town representatives during travel for Town business. These expenses are typically supplementary to the primary costs of transportation, lodging, and meals. Incidentals include minor, necessary expenses incurred during travel for Town business, such as gratuities, local transit fares and minor business supplies.

"Signing authorities" refers to the designated officials responsible for reviewing, authorizing, and validating expense and hospitality claims. These officials ensure that all claims are processed in accordance with the Town's policies and procedures.

“Town of Lunenburg business” means any legitimate business conducted for the governance, administration, development, and community engagement of the Town of Lunenburg. Permitted expenses are further defined within this policy.

“Travel expense” includes but is not limited to accommodations, airfare, rail or ferry transport, kilometrage, meals, gratuities, taxi, parking, bridge tolls, and work-related phone calls related to any Town business per this policy and procedures. Items excluded are vehicle fuels and vehicle operating costs, including repairs to personal vehicles.

“Town representatives” refers to Town of Lunenburg elected officials and staff.

5. RESPONSIBILITIES

All Town representatives incurring expenses for Town business are required to:

- Understand and adhere to this policy and its procedures.
- Complete and submit expense and hospitality claims with all necessary supporting documentation.
- Exercise diligence and fiscal responsibility when incurring expenses.
- Cancel reservations or bookings promptly when necessary to avoid unnecessary costs.

If a Town representative incurs expenses for an approved activity but does not attend, they will be responsible for any costs incurred by the Town unless the non-attendance is due to:

- Personal or immediate family illness or emergencies,
- Severe weather conditions,
- Travel disruptions,
- Town-related emergencies, or
- Other exceptional circumstances, as determined by the CAO, Director of Finance, or the relevant department director for their respective staff.

6. APPROVAL OF EXPENSE AND HOSPITALITY CLAIMS

Expense and hospitality claims must be reviewed and approved to ensure alignment with this policy, operational compliance, and accountability to the public. Specific submission and approval processes are detailed in the Administrative Procedures.

- Council Member Expenses: All expenses incurred by Council members, except the Mayor, must be approved by the CAO and the Mayor.

- **Mayor's Expenses:** All expenses incurred by the Mayor must be approved by the CAO and the Deputy Mayor.
- **CAO Expenses:** All expenses incurred by the CAO must be approved by the Mayor and the Director of Finance.
- **Staff and Director Expenses:** All expenses incurred by staff and department directors must be approved as outlined in the Administrative Procedures.
- **Prohibition of Self-Approval:** No individual may approve their own expense claims.

7. PERMITTED EXPENSES

Subject to and in accordance with this policy and procedures, the following expenses incurred by a Town representative are eligible for reimbursement:

- **Authorized Travel within Nova Scotia:** Includes transportation, accommodation, and meal costs for Town business. These activities may include attending meetings, conferences, or other events directly related to the official duties and responsibilities of the individual.
- **Out-of-Province Travel:** Includes transportation, accommodation, and meal costs for activities requiring travel outside Nova Scotia. Such expenses must be pre-approved and are related to Town business, such as attending national conferences, inter-provincial meetings, or other significant events.
- **Pre-approved Training or Continuing Education Costs:** Includes expenses for professional development courses, workshops, educational conferences, and training. These activities must be pre-approved and relevant to the staff member's role or professional development within the Town of Lunenburg. Professional development for Council members is defined in a separate policy.
- **Attendance at Relevant Local and Regional Special Events:** Includes costs for attending special events, dinners, or activities associated with or relevant to the Town of Lunenburg. Examples include community award ceremonies, local or regional economic development forums, industry association dinners, and cultural or heritage celebrations.

When incurring expenses, Town representatives must avoid conflicts of interest, such as selecting service providers with whom they have a personal relationship. If limited options require the use of such a service provider, the representative must:

- Transparently disclose the potential conflict.
- Submit a written explanation of the situation.
- Obtain prior written approval from the CAO.

8. TRAVEL

Council members and staff must travel by the most direct route and use the most economical means of transportation whenever possible. Whenever practicable or reasonable, carpooling should be utilized.

9. BUSINESS MEALS

Business meals are eligible for reimbursement when they are necessary to support the effective conduct of Town business.

A business meal is considered necessary when:

- It involves discussions directly related to Town projects, policies, or initiatives.
- It facilitates engagement with external stakeholders critical to advancing Town objectives.

10. HOSPITALITY EXPENSES

The Town of Lunenburg recognizes the value of hospitality in fostering relationships and advancing municipal objectives. Reimbursement for hospitality expenses is permitted in the following situations:

- Hosting foreign dignitaries or officials from other levels of government (e.g., federal, provincial, or municipal).
- Engaging in official public matters with representatives of governments, businesses, industries, labour organizations, or community leaders.
- Sponsoring or hosting conferences.
- Hosting ceremonies or recognition events.
- Other official functions pre-approved by the CAO.

All hospitality expenses must receive prior approval in accordance with this policy. Apart from alcohol purchases, if prior approval cannot be obtained due to unforeseen circumstances, the following must accompany the reimbursement claim:

- A detailed description of the event, including its purpose, attendees, and associated costs.
- A written explanation of why prior approval could not be obtained.

Without prior approval or proper justification, reimbursement for hospitality expenses, including alcohol, will not be granted.

10.1 Alcohol

Alcohol purchases are prohibited as individual expenses under this policy and will not be reimbursed unless incurred as part of a pre-approved hospitality expense. Alcohol may only be reimbursed under the following conditions:

- Hosting foreign dignitaries or official visitors as part of a formal event.
- Sponsoring or hosting conferences where alcohol is served as part of a professional networking event.
- Recognizing significant achievements or milestones during formal Town ceremonies or award presentations.
- Other official functions where alcohol is deemed appropriate and necessary for maintaining protocol or fostering relationships, subject to approval.

The purchase of alcohol for hospitality purposes must always receive prior approval to qualify for reimbursement. Approval must be obtained from:

- The CAO and Mayor for staff or Council member expenses.
- The CAO and Deputy Mayor for Mayor expenses.
- The Mayor and Director of Finance for CAO expenses.

Alcohol expenses must be reasonable and consistent with the nature and purpose of the event.

10.2 Gifts

Unless otherwise stated in another policy, providing token gifts is permitted to foster goodwill, promote Town initiatives, or adhere to diplomatic or protocol standards, provided the gift's value does not exceed \$300. Examples of acceptable occasions include:

- Official visits or ceremonial occasions.
- Strengthening business or community relationships.
- Promoting Town initiatives or programs.

10.3 Exceptional Circumstances for Higher-Value Gifts

In cases where a gift exceeds \$300, a written request must be submitted to Council for approval. The request must include:

- The rationale and purpose of the gift.
- The estimated cost.
- The intended recipient.
- The source from which the gift will be obtained.

11. LIMITS ON REIMBURSEMENT OF EXPENSES

The following limits apply to the reimbursement of expenses:

- **Personal Incurrence:** Claimants will only be reimbursed for costs they have personally incurred.
- **Air Travel:** Air travel must be booked by Town staff whenever possible to ensure the most cost-effective options are secured. If the claimant books their own air travel, reimbursement will be limited to the lowest available rate for a reasonable itinerary.
- **Lodging:**
 - Reimbursement for commercial lodging, including hotels, bed and breakfasts, Airbnbs, cottages, and similar options, is limited to the cost of a standard double occupancy room.
 - A standard double occupancy room is defined as a room with basic amenities and two beds or one bed suitable for two people, without premium features such as suites or executive-level upgrades.
 - If no standard options are available, an alternative may be chosen.
 - For conferences, accommodations must be booked at the conference's standard rate. If unavailable, or if the booking is unrelated to a conference, accommodations should be booked at establishments offering government or corporate rates whenever possible.
 - **Accessibility Needs:** Upgrades or premium accommodations may be reimbursed if required to meet accessibility needs, such as for mobility impairments, hearing or visual impairments, or other medical requirements.
 - **Use of Suites for Hosting:** When attending conferences, the Mayor may request a suite to host official Town-related functions, such as meetings or receptions. Suites must be pre-approved by the CAO and justified as necessary for hosting purposes.

- Reimbursement for private, non-commercial accommodations (e.g., staying with family or friends instead of a hotel) will be provided at the rate specified within this policy.
- Meals: Meal reimbursements will be based on the per diem amounts specified in this policy. Receipts are not required for per diem claims.
- Alcohol: The cost of alcoholic beverages will not be reimbursed unless part of an approved hospitality expense.
- Non-reimbursable Items: The Town will not reimburse fees, deposits, interest charges, or surcharges incurred on personal credit cards, including but not limited to late payment fees, foreign transaction fees, or over-limit charges.
- Combined Personal and Business Travel: When personal and Town business travel are combined, only expenses directly related to the Town business portion are reimbursable. Any extended travel time and associated expenses are the traveller's responsibility.

12. KILOMETRAGE, PER DIEM, AND ACCOMMODATION REIMBURSEMENT

12.1 Kilometrage

Kilometrage will be reimbursed at the rate set by the Nova Scotia Provincial government under its [Kilometrage and Transportation Allowance Rate Changes](#).

Receipts are not required for kilometrage reimbursement; claimants must provide a detailed record of the travel, including the purpose and distance travelled.

This section applies to all vehicles, including electric vehicles.

12.2 Per Diem for Meals and Incidental Expenses

Per diem rates for meals and incidental expenses are as follows:

- Breakfast: \$18
- Lunch: \$23
- Dinner: \$37
- Daily Incidental Rate: \$12

Receipts are not required for per diem claims.

12.3 Private Non-Commercial Accommodation Rate

Town representatives who stay in private, non-commercial accommodations (e.g., with family or friends) are eligible for a \$75 per night allowance. This allowance will cover both the cost of the accommodation and travel between the private accommodation and the designated conference, meeting, or work-related destination. As such, Town representatives may not claim kilometrage for travel between the private accommodation and the event or work location.

12.4 Excess Costs

Claimants are responsible for any meal, incidental, or accommodation expenses exceeding the established rates. Reimbursement will be limited to the per diem or allowance amounts unless explicitly pre-approved under a separate policy.

12.5 General Conditions

Claimants may not claim a per diem or reimbursement for meals, incidentals, or accommodations provided as part of an event or conference.

All claims must be submitted using the Town's approved expense claim form and must include sufficient detail to verify the travel purpose and dates.

13. BUDGETARY COMPLIANCE

All expense and hospitality claims must fall within approved departmental or municipal budgets. For expenses that do not require pre-approval, claimants are responsible for ensuring compliance with this policy and their department's budgetary limits.

Claimants are responsible for ensuring the accuracy of their claims and adherence to all procedural requirements.

14. FRAUD, MISUSE, OR MISAPPROPRIATION OF TOWN FUNDS

Fraud, misuse, or misappropriation of Town funds is strictly prohibited and may result in disciplinary action, up to and including termination of employment.

Any Town representative who becomes aware of or suspects fraud, misuse, or misappropriation is obligated to report it immediately to the CAO or Director of Finance.

The Town will thoroughly investigate all reported incidents to ensure accountability and transparency.

15. COMPLIANCE WITH THE MUNICIPAL GOVERNMENT ACT

All expense and hospitality claims will adhere to all related provisions of the Municipal Government Act, including but not limited to reporting and review provisions.

ADMINISTRATIVE PROCEDURES

Expense and Hospitality Policy

Date approved by the CAO: February 25, 2025

1. APPROVAL OF EXPENSE AND HOSPITALITY CLAIMS

All expense and hospitality claims must be approved by the designated Signing Authorities, as outlined below. Approval must follow this structure:

Claimant	Approval Required By
Regular Staff	<ol style="list-style-type: none">1. Department Director2. Director of Finance
Department Directors	<ol style="list-style-type: none">1. CAO2. Director of Finance
Director of Finance	<ol style="list-style-type: none">1. CAO2. Mayor (or Deputy Mayor, as applicable)
Council Members	<ol style="list-style-type: none">1. CAO2. Mayor (or Deputy Mayor, as applicable)
Mayor	<ol style="list-style-type: none">1. CAO2. Deputy Mayor
CAO	<ol style="list-style-type: none">1. Mayor2. Director of Finance

1.2 Alcohol-Related Hospitality Claims

All alcohol-related claims require explicit pre-approval and must follow these additional requirements:

A written request must be submitted, including:

- Purpose of the event and justification for serving alcohol.
- Anticipated number of attendees.
- Estimated cost of alcohol.
- Budget allocation for the expense.

Alcohol Pre-Approval Authority:

- Staff or Council Member Expenses: Pre-approved by the CAO and Mayor.
- Mayor's Expenses: Pre-approved by the CAO and Deputy Mayor.
- CAO's Expenses: Pre-approved by the Mayor and Director of Finance.

1.3 Documentation for Reimbursement

For all expense and hospitality claims, the following documentation must be submitted:

- A detailed claim form, including:
 - Purpose of the event or expense.
 - Attendees (for hospitality claims) and their affiliations.
 - Itemized receipts or per diem allowances (where applicable).
- Claims that lack sufficient documentation or exceed pre-approved limits may be denied.

1.4 Delegation of Authority

The CAO, Director of Finance, and all department directors may delegate signing authority to other staff for efficiency. All delegations must:

- Be documented in writing, specifying the scope and duration of the delegation.
- Ensure adherence to this policy.

2. BUSINESS MEALS

Eligibility Requirements: Business meals must clearly align with the policy's definition of necessity, focusing on advancing Town business.

Claims must include detailed, itemized receipts that outline:

- The date and location of the meal.
- The attendees (names and affiliations).
- A clear description of the business purpose.

Expense claims without sufficient documentation may be denied.

Pre-approval is not required for standard business meals.

3. TRAVEL GUIDELINES

Staff travel time for Town business will be compensated as working hours.

Compensation applies to travel for approved activities, including meetings, conferences, training sessions, or other duties related to official roles.

4.1 Travel Planning and Booking

- Travel must be planned to prioritize cost-efficiency and practicality:
 - Booking Timeline: Book transportation (e.g., flights, train tickets) and accommodations at least two weeks in advance whenever possible to secure lower rates.
 - Carpooling: Use carpooling when multiple representatives are attending the same event, unless:
 - Schedules or departure times conflict.
 - Travel involves multiple stops for distinct purposes.
 - Accessibility or health accommodations require separate transportation.

4.2 Kilometrage Claims

- Kilometrage for personal vehicle use must be calculated using reliable mapping tools (e.g., Google Maps) to determine the most accurate distance travelled.
- Submit travel purpose, dates, and locations with the kilometrage claim.

4.3 Pre-Approvals for Exceptions for staff

Travel requiring alternate routes, higher-cost transportation, or exceptions to standard guidelines must receive pre-approval from the CAO when requests are received from staff.

4. VEHICLE RENTALS

The cost of renting a vehicle will be reimbursed in the following situations:

- Reasonable ground transportation services such as public transit, taxis, or hotel shuttles are unavailable; or
- Two or more Council members, the CAO, and/or staff of the Town of Lunenburg are travelling together, and it is more economical than the combined cost of other ground transportation options.

Compact, economical vehicles must be used unless:

- Three or more persons are travelling together,
- The bulk or weight of goods being transported requires a larger vehicle, or
- A compact, economical vehicle is unavailable.

To protect both the claimant and the Town of Lunenburg, claimants must ensure that adequate insurance (collision, comprehensive, and third-party liability) is in place for all drivers.

The applicable deductible must be the lowest available for the coverage described above.

5. PROFESSIONAL DEVELOPMENT AND SPECIAL EVENTS FOR STAFF

If the Town of Lunenburg has a budget for professional development, staff can apply in advance to their respective Signing Authorities for approval to use this budget for professional development or attend special events, as long as:

- The request is made in writing and includes an estimate of all costs, such as course fees, transportation, accommodation, meals, or event-related expenses.
- The course, meeting, conference, or special event is related to municipal government or relevant to the Town of Lunenburg.
- The annual budget for professional development has not been used up and won't be exceeded by this request.
- When submitting an expense claim for reimbursement, the claimant must provide a brief written summary explaining the nature and benefits of the professional development or special event.
- If the relevant Signing Authorities approve the expenses for professional development or special events and the claimant has already paid for some or all pre-approved expenses, the claimant can be reimbursed after submitting an expense claim according to this policy.

6. PRE-APPROVAL FOR EXPENSES

When pre-approval for expenses is required per this policy and procedures, the following steps must be completed:

- Complete the relevant pre-approval form or written request, including:
 - Purpose: Reason for the expense.
 - Details: Description, dates, locations, and activities.
 - Estimated Costs: Detailed budget (e.g., transportation, accommodation, meals, fees).
 - Benefits: Expected benefits to the Town.
- Submit the form to the designated Signing Authorities at least five business days before incurring the expense to allow sufficient time for review and approval.

7. PREFERRED PAYMENT METHOD

The preferred payment option is to issue a purchase order for an expense that can be invoiced directly to the Town. When this option is not available, using a corporate credit card after completing a purchase order is the next preferred method for covering expenses aligned with this policy.

10.1 Misuse of Corporate Credit Cards

The Town of Lunenburg expects all corporate credit cardholders to use these cards strictly for authorized Town business in accordance with this policy. Any misuse of corporate credit cards, including unauthorized personal purchases, failure to provide receipts, or exceeding approved limits, will result in disciplinary action.

8. EXPENSE CLAIMS

Expense claims must be submitted on the form provided by the Town of Lunenburg and signed by the claimant.

The business reason for each expense must be included with all expense claims.

For reimbursement claims requiring a receipt, if no receipt is available, the claimant must submit a written attestation explaining why the receipt is unavailable and providing an itemized list of the expenses. Debit or credit card transaction records alone will not be accepted as a substitute for a receipt.

A Signing Authority may request additional explanations, documentation, or justification from the claimant and may refuse to approve any claim or expense deemed unreasonable or not in compliance with this policy.

Expense claims that are incomplete, lack required documentation, or do not adhere to this policy will not be processed. Claimants will be notified and must provide the missing information or documentation before their claim is reviewed.

9. HOSPITALITY CLAIMS

All hospitality events require prior authorization and the request must include:

- The purpose of the event.
- The list of attendees and their affiliations.
- The estimated cost and budget allocation.
- The anticipated benefits to the Town of Lunenburg.

In instances where a hospitality event has been held without prior approval, the individual seeking reimbursement must submit a detailed Expense Claim Form. The form must include:

- The details of the event (e.g., purpose, attendees, costs).
- A document explaining why prior approval was not possible.

Alcohol-related expenses will not be reimbursed under any circumstances without prior approval.

10. TIMEFRAME FOR SUBMITTING CLAIMS

Expense claims must be submitted for approval within 30 days of incurring the expense.

Expenses must be charged to the year in which they occur. They cannot be carried over to future years.