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| <b>Policy Title:</b>      | Business Expense Policy | <b>Policy Number:</b> | 134-10   |
| <b>Date of Adoption:</b>  | May 9, 2022             | <b>Motion Number:</b> | 193-2022 |
| <b>Date of Amendment:</b> | October 27, 2025        | <b>Motion Number:</b> | 310-2025 |

## **1. Purpose:**

- 1.1. To guide Members of Council and Administration when incurring Business Expenses.

## **2. Definitions:**

|                             |   |
|-----------------------------|---|
| <b>Administration</b>       | An employee or contract employee of the City of Lloydminster.   |
| <b>Business Expenses</b>    | An authorized expense incurred to acquire goods or services necessary for the provision of municipal services that demonstrates prudence, good judgement, moderation, and is defensible to an impartial observer. |
| <b>City</b>                 | The corporation of the City of Lloydminster.  |
| <b>Hospitality Expenses</b> | The provision of meals and/or Refreshments to guests of the City or individuals otherwise not engaged in work for the City as a matter of courtesy, diplomacy, protocol, or to facilitate City business.          |
| <b>Member of Council</b>    | An individual elected pursuant to <i>The Local Government Election Act, 2015</i> (Saskatchewan) as a Member of Council.   |
| <b>Purchasing Card</b>      | A city issued Purchasing Card.  |
| <b>Receipt</b>              | Detailed itemized listing of individual products and services purchased, which must include the product description, unit price, subtotal, taxes and extended total.  |
| <b>Refreshments</b>         | Beverages or food (i.e. light snacks) or both, served between meals.  |
| <b>Supervisor</b>           | The person who directly oversees a Member of Council or Administration.   |

### **3. Scope:**

3.1. This Policy applies to all Members of Council and Administration.

### **4. Purpose and Principles**

4.1. Members of Council and Administration are expected to adhere to the following principles when incurring Business Expenses:

- 4.1.1. public funds are to be used prudently and responsibly with a focus on accountability and transparency;
- 4.1.2. Business Expenses must support the City's business objectives and Council's strategic plan;
- 4.1.3. Business Expenses must be demonstrated to be necessary and economical;
- 4.1.4. all Business Expenses incurred should be:
  - a. able to withstand the scrutiny of internal and external audits, as well as members of the public;
  - b. properly explained and documented;
  - c. reasonable; and
  - d. appropriate.

### **5. Supporting Documentation**

5.1. Business Expenses are required to be supported by Receipts.

- 5.1.1. A description of the transaction must be provided when a Receipt does not provide an adequate description of the transaction.
- 5.1.2. If a Receipt cannot be provided, an attempt to obtain a duplicate Receipt from the merchant must be made. If a Receipt cannot be provided by the merchant, a missing Receipt declaration must be completed to validate the expense and be approved by the direct Supervisor.

5.2. Hospitality, meal, and Refreshment purchases must include a list of the names and positions of all people in attendance, and proof of prior Supervisor approval.

- 5.2.1. Approvals should be documented, such as an email or written note. Approvals can cover more than one purchase, if the purchases relate to the same activity or purpose. (i.e., ongoing purchases for a certain committee, ongoing

purchases for a specific project, purchases within a certain budget, etc.)

5.2.2. Notwithstanding 5.2, Supervisors may use employee engagement funds for meal and/or Refreshment expenses for their direct reports without needing prior approval.

5.3. All Business Expenses must be explained and documented, having regard to the principles set out in Section 4.

5.4. Business Expenses purchases must be coded to the appropriate financial account.

5.4.1. Hospitality, meal and Refreshment purchases have specific accounting codes that must be used for tracking. Finance will provide direction on appropriate coding.

5.5. The Executive Manager, Corporate Services or delegate will monitor Business Expense support for compliance and may request additional documentation.

## **6. Payment Method**

6.1. The use of personal funds to pay for Business Expenses should be avoided whenever possible and used only when no other reasonable option is available.

6.2. A Purchasing Card is the preferred method of payment for Business Expenses within the parameters of the Purchasing Card Policy.

6.3. Business Expenses not eligible or suitable for payment with Purchasing Card should be processed through Accounts Payable (i.e., purchase order, payment request).

6.4. When a Business Expense is incurred for two or more members of Administration, the highest-ranking person present must pay for the expenditure and obtain the respective Receipt and supporting documentation.

6.5. Notwithstanding 6.4, administrative support may use their Purchasing Card to pay for Business Expenses in consultation with a Member of Council and/or Administration.

- 6.5.1. To ensure proper oversight, if administrative support use their Purchasing Card to pay for their Supervisor's Business Expenses, the Purchasing Card transaction must be approved by a Supervisor at a higher level. This prevents a Supervisor from approving their own Business Expenses.

## **7. Hospitality Expenses**

- 7.1. A member of Administration must obtain documented pre-approval from their Supervisor to incur any Hospitality Expenses. This approval must be made having regard to the principles set out in Section 4.
- 7.2. Decisions to offer hospitality are carefully considered and determined necessary based on courtesy, diplomacy, protocol, or to facilitate the business of the City.
- 7.3. Members of Council and/or Administration alone are not eligible for Hospitality Expenses.
- 7.4. Hospitality Expenses should be limited to only those members of Administration and/or Council whose attendance is necessary.
- 7.5. The Meal Per Diem rates in the *Travel Expense Policy* should be used as a guideline for what a reasonable cost per person is when incurring Hospitality Expenses.
- 7.6. Tipping on Hospitality Expenses must not exceed 20%.
- 7.7. Alcohol is considered a personal expense and is not an allowable Hospitality Expense unless an exception has been pre-approved in writing by the City Manager. This approval must be included with the support for the purchase.

## **8. Internal Meal and Refreshment Expenses**

- 8.1. Meals and Refreshments for Members of Council and/or Administration shall not be considered a Business Expense except for the following situations:
  - 8.1.1. meals may be provided when attendance is required during usual mealtimes, with no adequate break provided;

- 8.1.2. Refreshments may be provided when internal training or meetings exceed three (3) consecutive hours;
- 8.1.3. with approval from the City Manager or delegate, meals and/or Refreshments may be provided for employee events such as team building, staff appreciation, milestone celebrations, or recognition of extra efforts;
- 8.1.4. as specified in any applicable union agreements.

8.2. The Meal Per Diem rates in the *Travel Expense Policy* should be used as the maximum allowable cost per person when incurring internal meal and Refreshment expenses.

8.3. Tipping on internal meal expenses must not exceed 20%.

8.4. Alcohol may be served at City events with prior approval from the City Manager, provided attendees cover the cost. Alcohol must be served responsibly and include the provision of food.

## **9. Gift Cards**

- 9.1. Gift cards may be considered a Business Expense at the discretion of the City Manager or in the following circumstances:
  - 9.1.1. as a prize for a member of the public for competitions, programs, or events; and
  - 9.1.2. volunteer appreciation for members of the public.

9.2. Gift cards must be purchased on a PCard. Gift cards purchased personally shall not be eligible for reimbursement.

## **10. Clothing**

10.1. Clothing shall only be considered a Business Expense when it is provided as:

- 10.1.1. a corporate gift;
- 10.1.2. personal protection equipment; or
- 10.1.3. as part of a uniform for public facing employees; or
- 10.1.4. or as approved in advance by the City Manager.

## **11. Personal Loyalty Rewards**

- 11.1. Members of Council and/or Administration may collect points/credits for loyalty programs while incurring Business Expenses. However, participation in these programs must not influence any Business Expenses, which must be incurred with the principles of Section 4 observed.

## **12. Penalty**

- 12.1. Any member of Administration found to be in violation of this Policy may be subjected to disciplinary action. Such action may be dependent upon the nature of the breach of this Policy; discipline may range from a verbal warning to dismissal with cause.
- 12.2. Any Member of Council found to be in violation of this Policy may be dealt with utilizing the "*Council Code of Ethics Bylaw*" or provisions of the "*The Lloydminster Charter*".

## **13. Responsibility**

- 13.1. City Council shall review and approve all policies.
- 13.2. Administration may administer this Policy through the use of a supporting procedure, as required.