

TOWNSHIP OF EDWARDSBURGH CARDINAL  
ACTION ITEM

**Committee:** Committee of the Whole- Admin & Finance

**Date:** February 10, 2020

**Department:** Administration

**Topic:** Council Expense Reimbursement Policy

**Purpose:** To revise Schedule A of Bylaw 2019-63 with respect to the Council Expense Reimbursement policy.

**Background:** Staff was directed at the January 13 Committee of the Whole meeting to bring forward Schedule A (Council Expense Reimbursement) of Bylaw 2019-63 to make amendments and incorporate clauses to incorporate a cellphone allowance for council

The following changes/additions have been incorporated to further clarify the policy:

- Clarified eligible expenses under expense account
- Included options with respect to electronic mobile/tablet/laptop device purchase
- Provisions incorporated for Township issued cellphones
- Provisions incorporated for a cellphone allowance

Staff consulted with the United Counties of Leeds and Grenville and determined that UCLG contributes to the purchase of an electronic device (up to \$400) with the lower-tier municipality which provides an electronic device to its Head of Council.

**Policy Implications:** An amended policy will need to be adopted by bylaw.

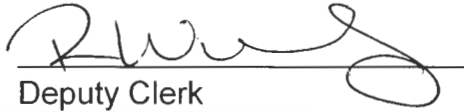
**Financial Implications:** The current total expense accounts for council is \$19,500.00 and is included in the draft 2020 budget. Any increase in this allotment will have a direct impact on the 2020 budget.

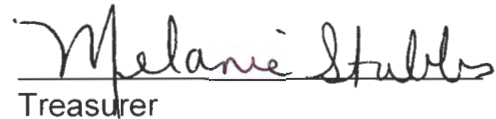
A staff report on the October 15 indicated that providing an electronic/mobile device is expected to add \$5,000 to the budget once in each term of Council. The 2020 draft budget includes \$5,000.00 for electronic devices,

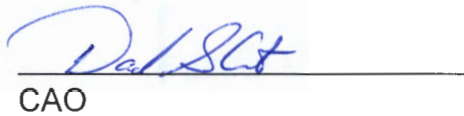
For compliance with CRA regarding personal use of employer supplied cell phones, a taxable benefit of \$10 will be added to each Member of Council's monthly pay and included on their T4. If a Member of Council wishes to use their own personal cell phone then a cell phone allowance of \$30.00 per month may be provided to

compensate for the use of personal cell phones for Township business in lieu of the Council member having a Township issued cell phone. CRA benefit and allowance rules indicates that "an allowance for a cellular phone must be included as income. See attached CRA guideline.

**Recommendation:** That Committee recommends that Council adopt the revised Schedule A – Council Expense Reimbursement Policy for Bylaw 2019-63, as attached.

  
Deputy Clerk

  
Treasurer

  
CAO



[Home](#) > [Canada Revenue Agency](#) > [Payroll](#) > [Benefits and allowances](#)

## Cellular phone and Internet services

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If you provide your employee with a cell phone (or other handheld communication device) that you own, to help carry out their employment duties, the fair market value (FMV) of the cell phone or device is not a taxable benefit.

However, if you reimburse your employee for the cost of their own cell phone (or other handheld communication device), the FMV of the cell phone or device is considered a taxable benefit to the employee. This is the case even if the employee used, lost, or damaged the cell phone or device while carrying out their employment duties.

If you pay for, or reimburse the cost of an employee's cell phone service plan, or Internet service at home to help carry out their employment duties, the portion used for employment purposes is not a taxable benefit.

If part of the use of the cell phone or Internet service is personal, you have to include the value of the personal use in your employee's income as a taxable benefit. The value of the benefit is based on the FMV of the service, **minus** any amounts your employee reimburses you. You can only use your cost to calculate the value of the benefit if it reflects the FMV.

For cellular phone service only, we do not consider your employee's personal use of the cellular phone service to be a taxable benefit if **all** of the following apply:

- the plan's cost is reasonable
- the plan is a basic plan with a fixed cost
- your employee's personal use of the service does not result in charges that are more than the basic plan cost

You, as the employer, are responsible for determining the percentage of employment use and the FMV. You have to be prepared to justify your position if we ask you to do so.

### Note

If you give your employee an allowance for cellular phone or Internet services, the allowance must be included in the employee's income.

Include any GST/HST that applies in the value of this benefit.

## Payroll deductions

If the benefit is **taxable**, it is also pensionable. Deduct income tax and CPP contributions. If the taxable benefit is paid in cash, it is insurable. Deduct EI premiums. If it is a non cash benefit, it is not insurable. Do not deduct EI premiums.

## Reporting the benefit

Report the **taxable** benefit in box **14** "Employment income" and in the "Other information" area under code **40** at the bottom of the **T4 slip**. For more information, see [T4 – Information for employers](#).

**Date modified:**

2018-11-20

**THE CORPORATION OF THE  
TOWNSHIP OF EDWARDSBURGH/CARDINAL**

**BY-LAW NO. 2019-63**

**“A BY-LAW TO ESTABLISH RULES FOR REIMBURSEMENT OF ELIGIBLE  
EXPENSES OF MEMBERS OF COUNCIL AND MUNICIPAL STAFF”**

**WHEREAS** Section 283(1) and (2) of the Municipal Act, 2001, SO 2001, c. 25 as amended provides that a municipality may pay any part of the remuneration and expenses of the officers and employees of the municipality;

**AND WHEREAS** the Council of the Corporation of the Township of Edwardsburgh/Cardinal deems it advisable to adopt a policy which established the rules for reimbursement of eligible expenses of members of Council and municipal staff;

**NOW THEREFORE** the Council of the Corporation of the Township of Edwardsburgh/Cardinal enacts as follows:

1. That the Council Reimbursement of Expenses Policy, as described in Schedule “A” attached hereto and forming part of this by-law, is adopted.
2. That the Municipal Staff Reimbursement of Expenses Policy, as described in Schedule “B” attached hereto and forming part of this by-law, is adopted.
3. That all previous by-laws and resolutions to establish rules for reimbursement including By-law 2017-29 are hereby repealed.
4. That this by-law shall come into force and take effect on the date of passing.

Read a first and second time in open Council this 28<sup>th</sup> day of October, 2019.

Read a third and final time, passed, signed and sealed in open Council this 28<sup>th</sup> day of October, 2019.

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**Mayor**

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**Deputy Clerk**

**SCHEDULE A  
TO BY-LAW 2019-  
COUNCIL EXPENSES**

**1. Purpose:**

To establish a policy by which members of Council are compensated for eligible expenses incurred in the course of Township business.

**2. Scope:**

Schedule A of the policy applies to members of Council.

**3. Responsibility:**

It is the responsibility of each Council member to ensure compliance with this policy.

**4. Insurance:**

Council members shall be provided insurance while on duty, including errors and omissions insurance as per the terms and conditions specified in the Township's insurance policy, as amended from time to time.

**5. Council Remuneration:**

As per Council Resolution 2010-188, effective January 1<sup>st</sup>, 2011, an annual remuneration shall be paid to each member of Council:

Mayor	\$15,000.00 per annum
Deputy Mayor	\$12,000.00 per annum
Councillors	\$10,000.00 per annum

Such remuneration shall be paid monthly on the 1<sup>st</sup> payroll of each month. Effective January 1, 2020 and annually thereafter, a cost of living increase shall be applied to the honouararium based on the OMERS pension annual inflation increase. In the event of the death of a Council member or upon his/her ceasing to be a member of Council for any reason before the expiration of his/her term of office, the amount payable to him/her or their personal representative, shall be in proporation to the period of his/her service during such time.

**6. Expenses:**

- a. ~~Each Council member shall be provided with an Expense Account in the following amounts: to be used for conferences, meetings and seminars. Eligible expenses for conferences and seminars shall include registration, transportation, accommodation and meals, if not included in the registration fee.~~

Mayor	\$5,000.00
Deputy Mayor	\$4,000.00
Councillors	\$3,500.00

The following areas may be covered within the Council Member's expense account:

i) Eligible expenses for conferences, Township meetings, seminars, and related business shall include registration, transportation, mileage, accomodate and meals, if not already included in the registration fee.

- ii)  
b. -Transportation costs for members of Council shall be based on the most economical fare. Transportation options may include but are not limited to:

- Rail
- Air
- Rental car

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- Use of Township fleet vehicle when practical
- Use of personal vehicle

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- e. iii)** The current mileage rate, as per Council Resolution 2008-570, is 0.465 per kilometer for use of personal vehicle by members of Council. This rate is subject to change from time to time at Council's discretion by resolution of Council and shall not require an amendment to this bylaw. Formatted: Indent: Left: 0.1", Hanging: 0.5", No bullets or numbering
- d. iv)** -Parking, taxi, toll highway charges and public transportation fees are eligible for reimbursement upon provision of a supporting receipt. Formatted: Indent: Left: 0.1", Hanging: 0.5", No bullets or numbering
- e. v)** If an overnight stay is required in connection with attending a function, accommodation may be reimbursed at a rate in accordance with the room rates charged for the function, or at the hotel's rate for a standard room, whichever is less. An original receipt from the hotel, showing the dates of the stay and detailing all expenses must be provided. Charges for parking and internet access may be reimbursed. Credit or debit card receipts or statements are not acceptable as receipts. Formatted: Indent: Left: 0.1", Hanging: 0.5", No bullets or numbering
- f. vi)** -Meals not provided as part of the conference, meeting or seminar fee are eligible for reimbursement to a daily cumulative maximum of \$90.00 with supporting original receipts, but shall not include the purchase of alcohol. Expenses in excess of the \$90.00 per day must be supported by receipts and require the approval of the Mayor for members of Council. The per day meal allowance will be provided on a once per 24 hour period basis and shall be pro-rated by 50% if the travel starts after or concludes before noon. Spouses may accompany a member of Council providing any additional expenses are paid for by the member. Formatted: Indent: Left: 0.1", Hanging: 0.4", No bullets or numbering
- g. vii)** Entertainment expenses are not eligible for reimbursement. Formatted: Indent: Left: 0.1", Hanging: 0.5", No bullets or numbering
- h. viii)** All expenses shall be reimbursed upon submission of a completed and signed Expense claim form accompanied by original invoices, vouchers, or receipts. Credit Card slips or statements, or Interac payment slips are not acceptable as receipts. The form shall be submitted within a reasonable time after the conference or seminar or by the 15<sup>th</sup> of each month in order to be included in the monthly council cheque run. Formatted: Indent: Left: 0.1", Hanging: 0.5", No bullets or numbering
- i. b.** Council members shall submit/present to the Committee of the Whole a post-conference written or verbal report outlining the highlights of the sessions they attended.
- j.** ~~The Mayor shall have the option of being provided with a Township issued cell phone, as per the Township's corporate phone plan and policy for the conduct of Township related business activities of the Corporation, the cost and maintenance of which will be funded from the Council budget.~~
- k. c.** -Members of Council shall be provided with a Township email address, to be used for all Township related business. The cost of this service will be included in the IT budget for Council. Formatted: Left, Indent: Left: 1.06", First line: 0", Don't add space between paragraphs of the same style, Widow/Orphan control
- l. d.** Members of Council shall be provided with a mobile device/tablet/laptop once at the start of the Council term for their use on Township related business. Alternatively, the Township may provide each Member of Council with an allowance of up to \$1,000 for a mobile device/tablet/laptop, upon providing a copy of a receipt. At the end of the term of Council, for members not returning, all Township related information Formatted: Indent: Left: 0.1", Hanging: 0.5", No bullets or numbering



shall be removed from the device and the device may be purchased by the member for his/her personal use for a nominal sum.

- ff. e. Members of Council who do not wish to use a mobile device or tablet/laptop may expense other office supplies to the maximum equivalent expenditure of \$1,000 over the term. Receipts must be provided.

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7. Township Issued Cell Phone:

- a. Members of Council shall have the option of being provided with a Township issued cell phone, as per the Township's corporate phone plan and policy for the conduct of Township related business activities of the Corporation, the cost and maintenance of which will be funded from the Council budget.
- b. Township cell phones must be used primarily for business use. Occasional or incidental personal use of IT Resources is permitted within reasonable limits, provided it does not conflict with business use of time, or on technology resources or otherwise adversely affect a Member of Councils duties and responsibilities. Members of Council are responsible for exercising good judgment regarding the reasonableness of personal use. It is the Member of Councils responsibility to reimburse any extra costs such as personal long-distance charges. For compliance with CRA regarding personal use of cell phones, a taxable benefit of \$10 will be added to each Member of Councils monthly pay and included on their T4.

8. Cell Phone Allowance or Reimbursement:

- a. The Township recognizes that, due to the nature of Council Member positions, it may be more cost-effective and give more flexibility to provide Members of Council a cell phone allowance in exchange for use of their personal cellular device, in lieu of providing the Member with a Township-owned cell phone.
- b. Cell Phone Reimbursement:
- i. Any Member of Council using a personal cell phone for Township business may submit an expense sheet and be reimbursed for any costs associated with such use provided that proper back up documentation is attached in the form of detailed billing. The cost of reimbursement shall not exceed the cost of established plans (\$30) for Township owned equipment, in which case other arrangements shall be made.
- ii. This reimbursement is not considered to be part of the annual expense amount and will be funded by the overall council budget under telephone.
- c. Cell Phone Allowance Amount:
- i. The standard monthly cell phone allowance shall be \$30.00
- ii. The monthly cell phone allowance may be adjusted to compensate any Member of Council whose necessary use of a personal cell phone for Township business justifies a greater need for personal cell phone plan minutes. This is conditional on the recommendation of the CAO and final approval of the majority of Council.
- iii. Members of Council who receive a cell phone allowance are not eligible for reimbursement of further cell phone costs.
- d. Payment of Cell Phone Allowance:
- i. Members of Council cell phone allowance will be paid bi-weekly monthly as part of their paycheck and will be subject to all applicable payroll taxes as per CRA rules as it is considered a taxable benefit income.

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- ii. This allowance does not constitute an increase to base honourarium pay, and will not be included in the calculation of percentage increases to base honourarium pay, cost of living increase, etc.
- e. Members of Council receiving a cell phone allowance must retain an active cell phone contract for their personal cell phone at all times while receiving a cell phone allowance.
- f. Members of Council receiving a cell phone allowance must provide the CAO and Clerk with their current cell phone number and immediately notify the CAO if the number changes.
- g. If a Member of Council receiving a cell phone allowance changes their personal cell phone contract, or if the Township terminates the cell phone allowance for any reason, the Member of Council will bear the cost of any fees associated with said changes or cancellation of the personal cell phone contract.
- h. Publication of Cell Phone Numbers.
  - i. Members of Council receiving a cell phone allowance shall have their cell phone numbers published as a matter of public record to the Township's website.

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#### **9. Reports:**

- a. Each year by March 31<sup>st</sup>, the Treasurer shall provide Council with an itemized statement of Council remuneration and expenses for the prior year as legislated in Section 284 of *The Municipal Act, 2001*. This report will include any person appointed by council to serve as a member of any body, including a local board. This report will be posted on the Township website.
- b. A standardized expense report will be provided by the Treasurer to the Committee of the Whole on a quarterly basis for their review which shall include separate columns tracking conference expenses, mileage, professional development and other expenses. This report will be updated on the Township website.

#### **10. Policy Review:**

This policy shall be reviewed in the first year of each term of Council.

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