

## SCHEDULE A

### 28 (1) Travel & Business Expenses

This policy addresses the methods and procedures by which the groups outlined below will be governed when attending to business related to their respective governing bodies, including but not limited to conferences, conventions, seminars, as well as business and business entertainment expenses either within the City limits or beyond; and provides for the associated compensation entitlements.

This policy applies to:

- Members of City Council
- Employees of the City of London
- Elected/Appointed Officials

Other members and administrators shall be governed by whatever policies are set from time to time by their respective governing bodies, provided that the said policies do not exceed those contained within this policy.

It is understood that authority for the expenditure of funds for any and all expenses covered by this policy extends only to the extent of the financial limitations imposed by the annual (current) budgets of the respective governing bodies.

It is understood where an active contract and/or collective bargaining agreement is in place that addresses items contained within this policy that the terms of the contract/collective bargaining agreement will be followed.

Any question involving the meaning or application of this policy is to be submitted to the City Treasurer or designate for clarification.

Where this policy contradicts an existing policy or corporate practice, the issue will be forwarded to the City Treasurer or designate for a final binding decision. The issue and decision will be documented to be placed into further revisions of this policy.

This policy includes the following sections:

- I. Definitions
- II. Expense Review Officer
- III. Appeal Committee
- IV. Release of Expense Information
- V. Responsibilities
- VI. General Guidelines
- VII. Travel – Out of Town Expenditures
- VIII. Business Expenditures – In Town, Team Building, Business Entertainment

Appendix A – Risk Management Policy – Personal Vehicles

Appendix B – Excerpt from Risk Management Manual – Rented Vehicles

**I. DEFINITIONS**

Accommodation – commercial lodging facilities such as hotels, motels, corporate residences or apartments.

City – shall be used in this policy to mean The Corporation of the City of London

City Business – Attending an event as a representative of the City, to derive a benefit for the City, or to advance the interests of the City.

Expense Review Officer (ERO) - shall mean the person responsible for administering this policy, having budgetary control over the general ledger account to be expensed, and having authority over the Officials/Staff incurring the expenditure; as defined in Section II below.

Expense Reports – shall include both manual forms (e.g. Travel Advance / Expense Form) and corporate purchasing card statements, as applicable.

Governing Body - shall mean the City Council or a local board or commission.

Incidental/Personal Expenses – includes, but is not limited to: gratuities/tips, non-alcoholic beverages, personal phone calls, laundry and dry cleaning.

Local Mileage – defined as travel within the city limits of London, Ontario.

Officials - shall mean a Member of the City Council or an elected or appointed member of the governing body of a local board or commission or an advisory committee of the City Council.

Per Diem – an allowance to cover out-of-pocket personal living expenses exclusive of accommodation or transportation. This allowance is intended to include meals, taxes, gratuities and all other qualifying incidental/personal expenses.

Receipt – original document showing the name of the vendor, as well as the date, amount and description of the expenditure paid by the Officials/Staff.

Staff - shall mean an employee of the City of London or a staff member of a local board or commission.

Travel – is defined as going beyond the city limits of London, Ontario.

**II. EXPENSE REVIEW OFFICER**

The following are designated "Expense Review Officers" (ERO) for the jurisdictions referred to and shall be responsible for administering this policy within their particular areas of jurisdiction, addressing any justifiable exceptions; and for auditing and processing all expense reports in accordance with this policy, while maintaining the right to request additional explanations, documentation or justification of any or all of the expense reports:

<b>Jurisdiction</b>	<b>ERO</b>
Mayor	City Clerk or designate
Members of City Council	City Clerk or designate
Appointed Members of Advisory Committees	City Clerk or designate
City Manager	Mayor
Senior administrative official of each of the local boards or commissions	The chair of the respective local board or commission
City Department Heads	City Manager or designate

<b>Jurisdiction</b>	<b>ERO</b>
City of London Employees	City Department Heads or designates

### III. APPEAL COMMITTEE

The City Council and each local board or commission shall appoint an Appeal Committee for the purpose of dealing with disputes. The Appeal Committee shall be comprised of the senior administrative official, and the ERO of the governing body. Decisions of the Appeal Committee shall be final.

If the individual with a dispute is the senior administrative official; the City Treasurer will serve as part of the Appeal Committee.

### IV. RELEASE OF EXPENSE INFORMATION

All expense information is considered to be public information and shall be made available, upon request, by the ERO. Annually, prior to March 31, the City Treasurer or designate will submit to the City Council, a list of expenses incurred during the previous calendar year for the members of City Council, all City of London staff at level SME-02 or above, elected and appointed officials and members of the Senior Administration of the following local boards and commissions: London Transit Commission, London Convention Centre Corporation; London Public Library Board and the London Police Services Board.

### V. RESPONSIBILITIES

#### **Officials / Staff Role**

The Officials/Staff are responsible for adhering to the provisions of this policy, in addition to the completion of the expense report and submitting it for approval. Supporting documentation, as outlined in this policy, must be attached to the expense report. To avoid duplicate payments and to facilitate appropriate reviews; copies of credit card/interact slips, and credit card statements are not acceptable as receipts; however, may be required to provide proof of purchase.

#### **ERO Role**

The ERO is responsible for reviewing and authorizing the expense report. Under no circumstances may an ERO authorize expenses incurred on their own behalf.

The ERO's signature indicates that:

- The expense is a legitimate business expense; and funds are available within the approved budget;
- The purchasing method does not violate the purchasing policy;
- Appropriate supporting documentation, as outlined in this policy, is attached; and,
- The expense has been charged to the correct cost centre and expense code.

The ERO is responsible for pre-approving individual travel and business expenses expected to be reimbursed at an amount greater than \$3,000 and to approve local mileage claims in excess of \$1,000 (City Council members are not entitled to claim local mileage).

#### **Finance Role**

Approved expense reports are to be forwarded to Financial Services / Accounts Payable for processing on a timely basis. Finance and/or Audit may conduct reviews at any time, without notice, to assess compliance with this policy. Failure to comply may result in corrective and/or disciplinary action up to and including dismissal.

VI. GENERAL

1. Travel, business and local mileage expenditures are to be based on sound judgement and proper regard for economy.
2. Where travel and business expense payments are made using a corporate purchasing card; all provisions within this policy and the corporate purchasing card policy must be followed.
3. Travel, business and local mileage expenditures are subject to examination by City administration and/or the City's external auditors and must be completed with care, accuracy and supported by the appropriate forms, invoices and/or receipts.
4. Where an individual travel expense is expected to be reimbursed at an amount greater than \$3,000; a Travel Expense Authorization Form must be completed and approved by the ERO in advance of the date of travel. The Travel Expense Authorization Form must be attached to the expense report for submission to Finance.
5. When more than one traveller is attending the same event, all attendees must where practical/possible:
  - i) Coordinate travel arrangements
  - ii) Take advantage of group rates
  - iii) Individually submit a separate expense report for reimbursement
6. When personal and business travel is combined, only documented expenses directly related to the business portion are reimbursable. Travel and related expenses will not be reimbursed for spouse and/or other guests.
7. When attending a course, conference, or seminar an outline/itinerary must be provided
8. Where travel is delayed or cancelled due to circumstances beyond the traveller's control, effort must be made to notify the ERO immediately; the individual should attempt to secure complimentary lodging and/or meals where available. Any additional expense resulting from the delay or cancellation may require justification and be subject to review.
9. Expense reports must be submitted within forty five days from return to work from travel or the date from which the business expense was incurred.
10. The City will not reimburse for any personal items lost.
11. Where a staff member's primary place of business is in a Municipality other than the City of London; for the purposes of this policy:
  - i) Local travel/local mileage will be within the limits of the Municipality where their work is conducted (for example: if the staff member conducts business in Toronto then local travel and mileage will be within the city limits of Toronto)
  - i) Per diem – an overnight stay in association with a one-day meeting or business event out-of town is justified depending on the start and end times of the meeting and that the distance required to be travelled exceeds 150 kilometres from their primary place of business

All other items in this policy are applicable as outlined.

**VII. TRAVEL****1. AUTHORIZED TRAVEL**

- (a) Officials are entitled to receive reimbursement for expenses while attending the following:
- (i) Annual conferences of municipal associations of which the governing body is a member;
  - (ii) Board or executive committee meetings, committee meetings, associated meetings with federal or provincial ministries, workshops and seminars, provided the official is a director, committee or task force member within the sponsoring organization;
  - (iii) Annual conferences or board meetings of any organization on which an official sits as a director/committee member representing the governing body and where the governing body is entitled to voting delegate status because of its membership;
  - (iv) Out-of-town business as a representative of the City or of a local board or commission, provided that prior approval has been received from the governing body; and,
  - (v) One conference in addition to those mentioned in (i) and (iii) above in any given year, provided that the said conference has a direct relationship to municipal concerns or interests, and subject to the approval of the governing body and the availability of funds in the budget.
- (b) Staff are entitled to receive reimbursement for expenses while attending the following:
- (i) Annual conferences of municipal associations of which the governing body is a member;
  - (ii) Board or executive committee meetings, committee meetings, associated meetings with federal or provincial ministries, workshops and seminars, provided the staff member is a director, committee or task force member within the sponsoring organization;
  - (iii) Annual conferences or board meetings of any organization on which a staff member sits as a director/committee member representing the governing body or is part of a professional association or membership;
  - (iv) Out-of-town business as a representative of the City or of a local board or commission provided that prior approval has been obtained;
  - (v) Out-of-town business to meet with peers to discuss best practices; and,
  - (vi) Out-of-town training courses provided that such training is of benefit to the staff member's position or necessary to retain licensing/designations and that prior approval has been obtained.

**2. TRAVEL ADVANCES**

- (a) Travel advance requests must be made to the appropriate ERO at least one week prior to departure for domestic travel and two weeks prior to international travel (where the advance is required to be in US funds).
- (b) The amount advanced will be calculated by the ERO, based on the estimated expenses associated with each individual circumstance.
- (c) No advance will be provided for amounts less than \$200.00.
- (d) Travel Advances resulting in \$0.00 balances (advance = actual travel costs), or amounts owed back to the City, must be reconciled. For amounts owed back to the City, payment (reimbursement) must be made within forty five days from the date of return from travel. The cashier's receipt must be attached to the final expense report.

Travel Advances (continued)

(e) Any Officials/Staff that has an outstanding travel claim that is not submitted to Finance within forty five days of the date of return from travel will not be allowed any further advances for travel until the outstanding advance has been settled.

3. REGISTRATION FEES

Registration fees for attendance at a convention, conference, seminar, workshop or annual meeting will be reimbursed in full by the governing body upon submission of an invoice from the appropriate organization and an official receipt indicating payment.

4. TRAVEL ALLOWANCES

(a) Per Diem Allowance

(i) The per diem rate shall be as established by the governing body from time to time, provided that, in the case of a local board or commission, it shall not exceed that established by the City Council for elected and appointed officials.

The per diem rate will be paid in Canadian funds unless a there is a requirement for U.S. funds. An Officials/Staff who receives a per diem allowance may not claim additional personal expenses. To simplify reporting, receipts are not required for per diem expenses.

A corporate purchasing card should not be used to purchase expenses covered under the per diem allowance.

(ii) The per diem allowance is intended to cover the following normal daily expenses:

- meals and snacks
- cleaning expenses
- miscellaneous personal expenses
- gratuities
- telephone calls (personal)
- non-alcoholic beverages

(iii) The per diem rate of \$70 will be applied to a twenty-four hour period, provided that at least one overnight stay is involved. At the discretion of the ERO, a partial per diem may be paid to cover costs associated with partial days away. (Proration will be based on actual departure/arrival times as outlined in VII.4. (a)(vi) below).

(iv) Where meals have been provided, the per diem rate will be reduced by the amount reflected below:

Breakfast	\$10.00
Lunch	\$20.00
Dinner	\$30.00

(v) An overnight stay in association with a one-day meeting or business event out-of-town is justified (and therefore the per diem rate applied) depending on the scheduled start and end times of the meeting and that the distance required to be travelled exceeds 150 kilometres.

(vi) Where an overnight stay is not involved but the Officials/Staff is required to attend out-of-town meetings for the entire day, the per diem rate of \$60 will be applied. (Where meals are provided at the attended function, the per diem rate will be reduced by the amount reflected in VII.4. (a) (iv) above).

Per Diem Allowance (Continued)

Where a partial day per diem is applicable the following proration will be applied:

Breakfast	\$10.00 - If an employee is required to depart before 6:00 am
Lunch	\$20.00 - If an employee is required to depart before 12:00 noon
Dinner	\$30.00 - If an employee is unable to return home until after 6:00pm

No other expenses will be reimbursed; receipts are not required for per diem expenses

(b) Transportation

(i) Officials and Staff may choose their own method of transportation on the understanding that the most direct route, the most economical and most practical method must be used. The loss of productive time must be minimized.

(ii) Air

Economy class airfare is normally to be used, however, business class may be authorized by the ERO if:

- less expensive seats are not available, or
- the departure time is not acceptable, or
- the individual is travelling on a continuous flight in excess of five hours

The cost of an additional night(s) accommodation may be reimbursed if it is required in order to take advantage of a discount airfare, provided that the cost of the extra accommodation is not greater than the savings realized from the discounted airfare.

(iv) Rail

With prior approval from their ERO, Officials and Staff may be reimbursed for business class rail transportation, provided that they actually travel business class, and provided that the trip extends over a normal meal period (breakfast, lunch or dinner). Otherwise, only economy rail transportation costs will be reimbursed. The per diem will be reduced by the amounts noted in VII.4. (a) (iv).

(v) Private vehicles

Private vehicles may be used by Officials and Staff for out-of-town transportation when it is the most economical and practical method of travel. The mileage rate, approved by the governing body from time to time, will be reimbursed provided that, in the case of a local board or commission, the said rate shall not exceed the mileage rate established from time to time by the City Council for elected and appointed officials.

- Expenses relating to personal vehicles such as maintenance, repairs, insurance premiums (standard or extra), accident deductibles or tickets, etc. will not be reimbursed.
- 407 ETR charges are a reimbursable expense (receipt/proof of payment is required)
- Please refer to Appendix A regarding insurance requirements for use of personal vehicles on city business.

## (vi) City vehicles

Use of a City vehicle where available is encouraged. Fuel will be reimbursed with supporting receipts.

## (vii) Rental vehicles

Rental vehicles may be used by Officials and Staff where it is demonstrated that this method of transportation is more economical and practical than the use of taxis, limousines, etc. The most economical size of vehicle must be used, depending on the requirements of the occasion and the number of passengers.

The rental contract must be registered under the name "Corporation of the City of London – Applicant Name."

Officials/Staff who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. Please refer to the Appendix B (excerpt from the Risk Management Manual) for further details regarding insurance coverage.

## (vii) Taxis/Limos

Officials and Staff may be reimbursed for the actual costs of taxicabs, airport limousines, buses or equivalents for transportation between the individual's home or workplace and the designated transportation terminal as well as between the transportation terminal and the hotel or other destination point. Reimbursement will also be made for actual and reasonable costs incurred for such vehicles on approved City business whether within the City of London or at an approved location.

## (c) Local/Out of Town Mileage

## (i) Local Mileage

The mileage rate, approved by the governing body, will be reimbursed for local travel. Officials and Staff must complete the Car Allowance Statement (Form #0086 on City Connect/Cit-eforms) and submit the form to Accounts Payable at the minimum of a quarterly basis. The Car Allowance Statements will be delivered to payroll weekly for reimbursement on the next available payroll direct deposit.

Officials/Staff that are provided with a vehicle allowance are not entitled to local mileage reimbursement.

Members of Council are not entitled to receive reimbursement for local mileage.

## (ii) Out of Town mileage

The mileage rate, approved by the governing body, will be reimbursed for out of town travel. Officials and Staff must complete the Accounts Payable Voucher – Travel Advance/Expense Report (Form #0627) and submit the form to Accounts Payable

- When more than one Officials/Staff is travelling in the same motor vehicle, only the owner of the said vehicle is entitled to reimbursement for mileage expenses as provided by this policy.

Officials/Staff that are provided with a vehicle allowance are only entitled to an out of town mileage reimbursement when the travel exceeds 200 kilometres.

- (d) Accommodation
- (i) The name of "The City of London" or of the appropriate governing body must appear on all hotel (room) registrations and in each case available government or corporate rates should be requested. Individuals may be reimbursed for either single or double room base rates (including applicable taxes) depending on individual circumstances.
  - (ii) With approval from the appropriate ERO, hospitality accommodation, such as suites, parlours, etc. may be obtained when necessary for entertainment or hosting purposes.
  - (ii) If an Officials/Staff chooses to stay overnight with friends or relatives while on business related to the governing body instead of at a hotel, accommodation expenses will not be reimbursed, however the per diem allowance will still apply as required.
  - (iv) In the event of travel cancellation, the Officials/Staff may be held responsible and not be reimbursed for 'no show' charges resulting from failure to cancel a hotel reservation.
- (e) Telephone Calls
- Officials and Staff will be reimbursed for all telephone calls (local or long distance) that are directly related to City business. Reimbursement for personal calls is provided under the per diem allowance.
- (f) Spousal Expenses
- Officials and Staff shall be responsible for all additional expenses incurred as a result of a spouse or companion travelling with them, save and except the cost of accommodation as referred to in section VII.4. (d)(i) above.
- (g) Parking Expenses
- (i) Officials and Staff will be reimbursed for the cost of parking their motor vehicle at a transportation terminal while they are out-of-town on business, subject to the submission of appropriate receipts and provided that the cost of the parking does not exceed the cost of ground transportation from their home or place of business to the transportation terminal. Loss or damage to the vehicle, while parked, shall not be the responsibility of the governing body.
  - (ii) Officials and Staff will be reimbursed for the cost of parking their motor vehicle overnight while they are out-of-town on business, subject to the submission of appropriate receipts. Loss or damage to the vehicle, while parked, shall not be the responsibility of the governing body.

## 5. TRAVEL EXPENSE REPORTS

- (a) Officials and Staff are responsible for filing their respective travel expense reports with their respective ERO within forty five days of their return to office from an out-of-town event or from the date of the business expense incurred as covered by this policy.
- (b) Original individual detailed receipts must be filed with the expense report for all travel expenses not covered by the per diem allowance and for all hotel (room) accommodations. To avoid duplicate payments, copies, credit card slips, statements and/or Interac payment slips are not acceptable as receipts, however may be required to provide proof of payment.
- (c) Any funds owed to the governing body as a result of cash advances or claims for expenses of a personal nature not reimbursed by this policy, etc. shall be submitted to the City. A receipt should be attached to the travel expense report. Any funds owing to the City beyond a 45 day period from the date of return from an out-of-town event may be deducted from the individual's next pay cheque.

6. FOREIGN EXCHANGE

All claims shall be reimbursed in Canadian Funds.

The exchange rate used in calculation of the reimbursement will be the Bank of Canada rate during the travel period except in the following circumstances:

- If the Officials/Staff provide evidence of the rate obtained at the time of travel, such as bank/currency exchange office or ATM receipts; or,
- In cases where a credit card has been used, the rate used on the credit card purchase(s) will be used for those purchases only. A copy of the credit card statement must be submitted.

VIII. BUSINESS EXPENDITURES

## 1. Corporate Purchasing Cards

Where payments are made using a corporate purchasing card for items covered under this section of the policy; all provisions within this policy and the corporate purchasing card policy must be followed.

## 2. Hosting (City and/or Non-City employees in attendance)

- (i) On occasions when it becomes necessary for an Officials/Staff to host or entertain individuals relating to the advancement of the affairs of the City, such hosting or entertaining shall not be extended solely to an individual(s) who is employed by the City or solely to the spouse or companion of the Officials or Staff member, unless the individual, spouse or companion is attending in an official or business related capacity. In such cases, all expenses must be accompanied by receipts plus a written explanation setting out the following:
  - the purpose for the hosting and the particular circumstances;
  - the names and the positions held of the person(s) hosted;
  - the location at which the hosting took place.
- (ii) Hospitality such as beverages, meals, tours or other entertainment is only to be provided to Officials/Staff that have been identified by prior approval to act as hosts to guests of the City.
- (iii) Reasonable expenses associated with the hosting of business contacts, such as business lunches or dinners, may be reimbursed when the expense is considered to be necessary for the advancement of the interests of the City. (Officials or Staff members alone are not considered "business contacts".) The request for reimbursement must include the purpose of the hosting, and the name(s) of the individual(s) hosted.

With pre-approval from the ERO, alcoholic beverages purchased during these business events may be reimbursed. It is the responsibility of the ERO to determine whether the expense should be reimbursed, given the particular circumstances. Officials/Staff must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.

- (iv) When two or more Officials or Staff members are present for a business/hosting event, the highest ranking person present must pay for the expenditure and prepare the respective expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest ranking person present.

## 3. Meals In-town (Only Officials/Staff in Attendance)

- (i) It may be necessary for Officials or Staff to conduct City business over a meal, or an Officials or Staff may incur meal expenses in conjunction with attending a function on City business. It is the responsibility of the ERO to determine whether the meal expense should be reimbursed, given the particular circumstances. Receipts must be detailed and include a description of the purpose of the meal and a list of all persons in attendance.

Alcohol will not be reimbursed.

- (ii) When two or more Officials or Staff are present for a meal in-town, the highest ranking person present must pay for the expenditure and prepare the respective expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest ranking person present.

## 4. Business Expenditures (Non City Staff in Attendance)

Expenses associated with events such as committee meetings, award banquets, a political speech/address or other business related events where the purchase of a ticket or meal is required; will be reimbursed when such expense is considered to have a direct relationship to municipal concerns or interests. Additional reasonable expenses related to these types of events may be reimbursed. Official receipts must be provided.

## 5. Working Meetings/Life Events (Only Officials/Staff)

- (i) Non-alcoholic beverages and snacks may be offered to Officials or Staff required to work through "breaks" (otherwise called "coffee breaks") when justified by management. Such hospitality should be restricted to occasions of a formal nature where the dispersal of participants during a break period is not desirable (e.g. training workshops). Managerial discretion and due regard for economy should be used in identifying such occasions and in ensuring that hospitality is not offered during meetings of close colleagues working together on a regular basis.
- (ii) Refreshments, meals, or both may be offered to Officials or Staff who participate in work sessions extended over meal hours or beyond normal working hours provided that prior approval has been authorized by the ERO.
- (iii) With prior written approval from the ERO, expenses will be reimbursed for team building events, general staff appreciation events or celebrations, recognition of project milestones, or recognition of the extra efforts of employees. It is the responsibility of the ERO to exercise good judgment to ensure that the expense is warranted and reasonable, and that the type of event or award is appropriate for the purpose. Officials/Staff must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.
- (iv) Expenses associated with functions for departing staff may NOT be charged to a department's budget. All expenses related to this type of function are the responsibility of those hosting the function.
- (v) Cash awards are considered taxable benefits under income tax regulations and may not be used for recognition, appreciation or team building.

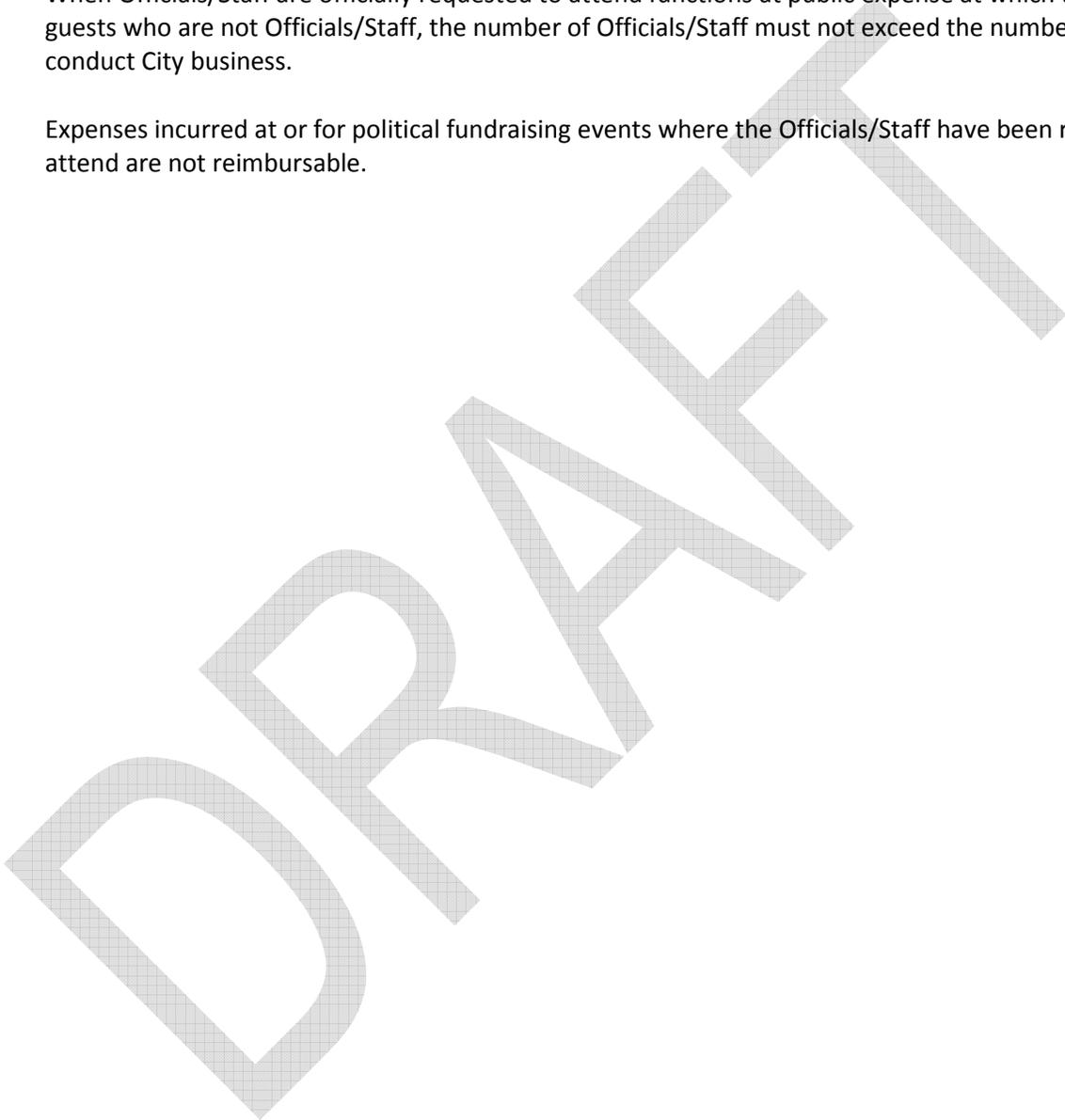
Working Meetings/Life Events (Continued)

- (vi) It is NOT permissible to use City funds to purchase flowers or gifts in recognition of any individual or group of individuals unless required within the business context (e.g. United Way promotion, Recognition Award event) except as allowed under VIII.5.(iii) above.

6. Attending Public Functions

When Officials/Staff are officially requested to attend functions at public expense at which there are guests who are not Officials/Staff, the number of Officials/Staff must not exceed the number needed to conduct City business.

Expenses incurred at or for political fundraising events where the Officials/Staff have been requested to attend are not reimbursable.



**Appendix A – Risk Management Policy**

– Insurance coverage for personal vehicles used for City Business

**PURPOSE**

From time to time, it is necessary for City staff to use a personal vehicle on City business. This policy establishes the requirements of City employees, who receive travel expense reimbursement, are aware of expectations and insurance requirements when using a personal vehicle while on City business.

**POLICY****1.0 Automobile Liability Insurance Coverage**

The Ontario Insurance Act directs that automobile passengers injured during a no fault accident will file the claim with his/her own insurance company. If he/she does not hold a policy, he/she will then file a claim against the policy of his/her spouse or parent(s) or guardian(s). When a passenger has no access to any other insurance policy they may have a claim made against the insurance policy covering the vehicle that they were a passenger in.

- 1.1** The City purchases “Non-Owned Automobile Liability” insurance. This provides coverage for legal liability arising out of automobile accidents while an employee is using their vehicle for City business. (It does not provide insurance for vehicles operated by employees under contract for snow ploughing.)

Non-Owned Auto protects the City against claims arising out of the use by employees of their own personal vehicles. It does not protect the owner of the vehicle who must by law carry owner's insurance. If the owner's policy does not cover part or all of, a claim when a vehicle is operated on behalf of the City, this 'non-owned' policy provides insurance to the City.

- 2.0** Employees who transport use their vehicles on City business must maintain a minimum of \$1,000,000.00 automobile liability and statutory accident benefits insurance coverage as required under the Ontario Insurance Act.

**2.1 Injury/Incident Reporting Procedures**

- 2.1** Employees will report all automobile accidents that occur while on City business to his/her Director/Manager as soon as possible.
- 2.2** The Director/Manager will inform Human Resources of injuries involving City employees and Risk Management of injuries to non-employees. The Director/Manager will also complete the appropriate WSIB and Automobile Accident report forms as appropriate.

\*Please refer to:

<http://docs/livelihood/livelihood.exe?func=ll&objID=16095295&objaction=XmlExport&scope=one&stylesheet=2094807&transform&followaliases> for the most current information.

**Appendix B – Excerpt from the Risk Management Manual****2.3.2 INSURANCE ON RENTED VEHICLES GUIDELINES**

When vehicles are rented for business purposes they *must be rented in employer's name* in order that the blanket auto insurance policy provides coverage. This is because the *renter's own insurance policy* responds first to claims by injured claimants. Employees who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. For example, when an accident arises out of the use or operation of a leased or rented vehicle the priority of those responsible for costs is:

1. The renter's own automobile insurance policy,
2. Next is the policy of the driver of the vehicle, (for example, if you rented a vehicle but let a friend drive it), and
3. The policy of the vehicle owner (the rental company).

This process of insurer responsibility for claims is relatively new. There has been virtually no testing of the system in the courts. As a result, it will be some time before we can determine how this system will work in practice.

**PHYSICAL DAMAGE TO RENTED VEHICLES**

It is sound risk management practice to self-insure risks in circumstances where the probability of loss is less than the cost of purchasing insurance. The Collision Damage Waiver (CDW) on short-term vehicle rental contracts should be declined. Rental car agencies normally charge in between \$10.00 and \$20.00 per day in addition to the daily rental charge. This cost, relative to the risk involved, is considered to be excessive. In the case of the City and insured Boards, it is not necessary to purchase insurance for physical damage to the vehicles rented when the vehicles rented are valued at less than \$100,000.00.

**RESTRICTIONS ON USE**

Rental agreements all contain restrictions on certain uses and drivers that, if violated, may affect any insurance coverage and make the renter fully responsible for any loss. Renters should pay particular attention to the following typical rental agency restrictions:

- no driver under age 21
- no driver under the influence of alcohol or drugs
- no use inconsistent with normal business travel (see detailed list in rental agreement)

**PERSONAL USE OF RENTAL AUTOS**

These guidelines and procedures apply only to vehicles rented for use on the business of the City or insured Board. Some personal automobile insurers allow you to add coverage for rented vehicles to your own personal auto insurance policy for a nominal annual fee (approximately \$50.00). This allows individuals to decline the CDW and have collision coverage through your personal auto insurance policy. Interested employees should check with their insurance agent/broker.

**REPORTING REQUIREMENTS**

All accidents must be reported promptly to the rental agency, to the local police and to Risk Management. See Section 11.3 - Automobile Accident Report - Form No. 1005(rev.2003.11).

\*Please refer to <http://docs/livelink/livelink.exe?func=ll&objId=16669282&objAction=viewheader> for the most current information.