

Nelson City Council Policy

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Approved by: Council
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ELECTED MEMBERS' REIMBURSEMENT AND EXPENSES POLICY

1. Purpose and scope

- 1.1 This policy is required by the Remuneration Authority and has been prepared according to the guidelines from the Office of the Auditor General regarding controlling sensitive expenditure.
- 1.2 The policy sets out the process for elected members to claim actual and reasonable expenses for vehicle mileage, travel time, communications, resource consent hearings, in accordance with the current Local Government Members Determination. This policy also covers district licensing committee fees, training, travel, accommodation and meal costs. The aim is to avoid unjustified expenditure and to provide for adequate documentation for the administration of the claims process. Claims are to be adequately substantiated, linked to business purposes and properly approved.

2. Principles

- 2.1 In the administration of this policy, elected members are expected to exercise proper and prudent behaviour in relation to expenditure. This includes being honest and accountable, and complying with expenditure controls. Relevant principles are:
- There must be a justifiable business purpose
 - Expenditure decisions must preserve impartiality
 - Expenditure must be moderate and conservative, having regard to the circumstances
 - The process must be transparent and appropriate in all respects, it should be able to withstand public scrutiny and have appropriate approvals
- 2.2 Council officers will ensure good financial controls and scrutiny of expenditure in the administration of this policy and elected members are expected to exercise sound judgment and integrity.

3. Reimbursement

- 3.1 Reimbursements will be paid directly into the member's bank account.
- 3.2 Unless otherwise stated the procedure for seeking reimbursement is as follows:
 - 3.2.1 Members are required to fill out a claim form (A319932) to seek reimbursement. This form must be submitted to the Manager Governance and Support Services each quarter.
 - 3.2.2 The Governance Team will send a reminder to members at the beginning of each quarter (January, March, July and October) requesting claims to be submitted within two weeks.
 - 3.2.3 Authorisation of claims will be completed by the Manager Governance and Support Services or Team Leader Governance.
 - 3.2.4 Claims older than six months will not be processed.

4. Vehicle Mileage Allowance

- 4.1 A vehicle mileage allowance is paid in accordance with the current Local Government Members Determination issued by the Remuneration Authority.
- 4.2 A member's travel is eligible for the allowance if the member:
 - is not provided with a motor vehicle by the local authority,
 - is travelling in a private vehicle,
 - is on local authority business, and
 - is taking the most direct route that is reasonable in the circumstances.

5. Travel Time Allowance

- 5.1 A local authority may pay a member a travel time allowance in accordance with the current Local Government Members Determination issued by the Remuneration Authority.

6. Communications Allowance

- 6.1 The Local Government Members Determination issued by the Remuneration Authority allows for a communications allowance to be paid if members are required to use their own equipment and communication services.
- 6.2 Elected members are required to provide their own equipment and communication services and as a result are paid the maximum amount allowed by the Local Government Members Determination. This amount will be paid on a pro rata fortnightly basis.
- 6.3 The allowance for each financial year (July – June) may be paid out as a lump sum to allow for purchases of equipment or paid on a pro rata fortnightly basis. If the lump sum option is to be taken up, members

must notify the Manager Governance and Support Services by 30 June each year. The lump sum payment will be pro-rata in an election year.

6.4 As members are providing their own devices, they are required to comply with the appropriate Council Information Technology policy on the matter at the start of each triennium.

6.5 Members must ensure their devices, applications used and connectivity plans are approved by Council's IT officers for use with Council's systems. Assistance from the IT service desk is available to members for problems with email, calendars, access to shared documents and connection to wi-fi only.

7. Childcare allowance

7.1 The Childcare allowance is a contribution towards expenses incurred by a member for provision of childcare while the member is engaged on local authority business. The allowance is capped at a maximum of \$6,000 per annum, per child.

The childcare allowance is only payable if –

- (a) The member is a parent or guardian of the child, or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
- (b) the child is under 14 years of age; and
- (c) the childcare is provided by a person who –
 - (i) is not a family member of the member; and
 - (ii) does not ordinarily reside with the member; and
- (d) the member provides evidence satisfactory to the local authority of the amount paid for childcare. An invoice copy showing date/time/cost details is preferred.

8. Hearing Fees

8.1 A local authority may pay members for involvement in Hearings in accordance with the current Local Government Members Determination issued by the Remuneration Authority.

8.2 Members are required to fill out a claim form (A319932) to seek payment for resource consent hearings. This form must be submitted to the Manager Consents and Compliance within two weeks of the date of the hearing. Authorisation of claims will be done by the Manager Consents and Compliance.

9. District Licensing Committee Fees

9.1 Note: on the advice of the Remuneration Authority this section has been removed as the District Licencing Committee fees are set by the [Cabinet Fees Framework](#) Note: this section will be removed at the next review.

10. Training, Travel and Accommodation

- 10.1 Council takes a whole of triennium based approach to budgeting for elected members training, travel and accommodation.
- 10.2 This provides a set amount of budget for each member for the triennium. This amount is to be spent at the members' discretion and in line with the agreed criteria for elected members' travel and training (A1743623). Additionally, the guidelines in this policy will be applied by officers when making arrangements or reimbursing expenses.
- 10.3 Any international travel must be approved by Council resolution prior to that travel taking place. This includes all travel for Sister City purposes. See the section of this policy related to international travel for further guidance.
- 10.4 Individual members will be responsible for demonstrating that their selected options align with the agreed criteria, in response to queries from Council, the public, or the media.
- 10.5 Following attendance at an event, elected members may share a short report with fellow members via the Councillors' Newsletter by sending this to the Manager Governance and Support Services.
- 10.6 Budget expenditure will be reported six monthly on Council's website.
- 10.7 A one-off funding pool will be available for any other opportunities that may arise, in line with the agreed criteria. Requests for funding pool expenditure will be approved by the Mayor and Deputy Mayor with purchase order approval by the Group Manager Corporate Services. Priority will be given to opportunities that are open to, and will benefit, all elected members.
- 10.8 Elected members may also come back to Council for funding from the one-off funding pool over and above their individual allocation if they are facing extenuating circumstances or an extra burden in their role as elected member. Requests for expenditure to be reallocated from the funding pool will be approved by the Mayor and Deputy Mayor with purchase order approval by the Group Manager Corporate Services.
- 10.9 To book training, travel or accommodation members are requested to complete the [Councillors Domestic Travel/Accommodation Request Form](#) and provide this to the Manager Governance and Support Services to process their travel.
- 10.10 The following costs will be covered for members attending conferences, seminars and training where applicable:
- Conference/registration fees;
 - airfares;
 - accommodation;
 - meals (excluding mini bar expenses);
 - transportation (buses, taxis, transfers).
- 10.11 It is expected that registrations, travel and accommodation would be pre-booked and charged back to Council so minimal additional reimbursement would be required. Should additional expenses be

incurred, members are required to fill out a claim form (A319932) to seek reimbursement.

10.12 Applicable claims

10.12.1 The purpose of the expenditure must be clearly stated on the expense claim form. Independent scrutiny of these expense claim forms (including travel) may be carried out by council officers to ensure they meet policy requirements.

10.12.2 Only the actual and reasonable costs of travel, or accommodation expenses and meals will be reimbursed, on the basis of original, itemised GST tax receipts attached to the claim form. Credit card statements or eftpos receipts do not constitute adequate documentation for reimbursement.

10.12.3 Alcohol purchases will be reimbursed if consumed in moderation (one glass of wine or beer) and accompanying an evening meal only or with prior approval for a specific occasion.

10.12.4 Council will not reimburse any mini-bar expenses

10.12.5 Separate meal expenses may not be claimed if a meal is provided as part of another package paid by Council, including conference fees.

10.12.6 As members receive a communications allowance which covers mobile devices, no reimbursements are available for telephone calls or internet access while travelling.

10.13 Air Travel

10.13.1 Where a member requires air travel, to the extent practical, this should be booked well ahead of the actual travel to be most cost-effective. Discounted economy or economy class is to be used for journeys of up to 4 hours of uninterrupted flight duration, unless there is a medical, safety or business related reason to make business class preferable. In the rare event business class travel is necessary a clearly explained rationale is required.

10.14 Accommodation

10.14.1 Where a member requires overnight accommodation, this should be cost-effective, but in a convenient location.

10.15 Staying with friends or family

10.15.1 Where a member chooses to stay with friends or relatives at their destination there is to be no payment made for accommodation or related costs. Gifts for hosts will not be reimbursed due to the tax liability created in doing so.

10.16 Travel at destination

10.16.1 The use of taxis is expected to be moderate, conservative and cost-effective relative to other forms of transport available. Taxis are not to be used for travel between the place of work and home, unless there are exceptional circumstances and this must be approved in advance by Manager Governance and Support Services.

10.16.2 Where a member requires a rental vehicle at their destination, it is expected that the most economical type and size of rental car is used,

consistent with the requirements of the trip. The driver is expected to pay any fines (parking or traffic offences) incurred whilst using a rental vehicle for business purposes. Private use of a rental vehicle is not permitted, except in exceptional circumstances, and the member must reimburse Council for any additional cost.

10.17 Use of own vehicle

10.17.1 Members who decide to travel significant distances by road using their own vehicle instead of by air (for example to Christchurch), can claim reimbursement on a per kilometre basis at the current rate, up to the maximum amount of the cheapest available return flight. A lesser amount may be agreed between the parties. Reimbursement for travel time will not be applicable in this situation.

10.17.2 The driver is expected to pay any fines (parking or traffic offences) incurred while using any vehicle for business purposes.

10.18 Extended stays before or after the work-related event

10.18.1 Members may choose to book flights for times extending beyond the work-related event, for example to return at the end of a weekend following a conference ending on a Friday, provided there is no additional cost to Council and the arrangement did not give rise to any perception of inappropriateness. The private travel must only be incidental to the Council purpose of the travel. Any costs associated with non-work time are at the expense of the member, apart from reasonable costs that would normally be associated with travel for the work-related purpose, such as transport directly between an airport and the venue.

10.18.2 Private travel for members' spouses or family cannot be booked by Council and reimbursed by members.

10.19 International Travel

10.19.1 All international travel must be approved by Council resolution prior to that travel taking place. This includes all travel for Sister City purposes.

10.19.2 The following costs will be covered for members travelling internationally on Council business:

- Airfares (including departure tax);
- accommodation;
- meals;
- transportation (buses, taxis, transfers);
- Travel insurance;
- Costs for any visas;
- Conference/registration fees

10.20 Travelling spouses, partners or other family members

10.20.1 As a general principle, travel costs of accompanying spouses, partners, or other family members will not be paid by Council. In the rare circumstances that involvement of a spouse directly contributes to a

clear business purpose, the spouse's travel costs (including what costs will and will not be covered) must be approved by Council resolution prior to that travel taking place.

11. Cash advances

11.1 Cash advances will not be available to members.

12. Reimbursement

12.1 Reimbursements will be paid directly into the member's bank account.

13. Mayoral Vehicle

13.1 A vehicle will be provided to the Mayor as per the Remuneration Authority Determination. A fuel card and all maintenance will be paid by the Council. In the case of an electric vehicle, where a charging facility is not provided on Council premises a monthly reimbursement can be claimed for charging at the Mayor's home. The rate of this reimbursement will be reviewed annually by the Manager Governance and Support Services and Manager Accounting Services.

14. Tipping

14.1 Tipping is discretionary, and usually undocumented, expenditure. Tipping will not be reimbursed whilst a Councillor is in New Zealand for business purposes. Tipping will only be reimbursed during international travel in places where tipping is local practice.

15. Koha

15.1 A Koha is a gift, a token, or a contribution given on appropriate occasions. The size of the koha is to be determined by the individual occasion. Koha are not to be confused with any other payments that Council makes to an organisation. All koha need to be approved in advance. Members must approach the Manager Governance and Support Services to initiate this process. The giving of koha is likely to attract withholding tax.

16. Meals for Meetings Held in Nelson

16.1 For meetings which continue through normal meal times, members will be provided with a basic meal.

16.2 For Hearings, members may be reimbursed for the cost of lunch as appropriate. Members are required to fill out and submit a claim form (A319932) to obtain this reimbursement.

17. Giving Gifts

17.1 There may be occasions where a gift is given as a token of recognition of something provided by the recipient or as a customary gesture, such as a gift to a Sister City. The provision of gifts is managed by the Mayor's Office

18. Mayor's Credit Card

- 18.1 Council provides a credit card for Mayoral use. Use of the credit card must comply with the Nelson City Council Credit Card Use Policy (A18269)

19. Related policies

- 19.1 Elected Members Travel and Training Criteria (A1743623)
- 19.2 Elected Members Code of Conduct (A1745031)
- 19.3 Nelson City Council Credit Card Use Policy (A18269)

20. Related forms

- 20.1 Elected Members Expenses claim form (A319932)
- 20.2 District Licensing Committee Members Expenses claim form (A1133337)
- 20.3 District Licensing Committee Commissioner Expenses claim form (A1126240)