

Nelson City Council Policy

Contact person for queries: Manager Governance and Support Services

Approved by: Council

Date: 2 May 2024

Review date: May 2025 or as required

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 members to claim actual and reasonable expenses where this is provided for in the current Local Government Members' Determination. The aim is to avoid unjustified expenditure and to provide for adequate documentation in the administration of the claims process. Claims must be adequately substantiated, linked to business purposes and properly approved.

2. Principles

- 2.1 In the administration of this policy, 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 staff will ensure good financial controls and scrutiny of expenditure in the administration of this policy and members are expected to exercise sound judgment and integrity.

3. Reimbursement – process

- 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:
- Members are required to fill out a claim form to seek reimbursement. This form must be submitted each quarter by emailing to governance.advisers@ncc.govt.nz, along with supporting evidence of the original payment (GST receipt).
 - 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.
 - Claims will be reviewed for approval by the Team Leader Governance or Manager Governance and Support Services.
 - Claims older than six months will not be processed.

4. Vehicle Mileage Allowance

- 4.1 A vehicle mileage allowance is paid within the limitations of the current Local Government Members’ Determination issued by the Remuneration Authority.
- 4.2 Under the Determination, a member’s travel is eligible for the allowance if the member:
- is not provided with a motor vehicle by Council,
 - is travelling in a private vehicle,
 - is on Council business, and
 - is taking the most direct route that is reasonable in the circumstances.
- 4.3 Council has applied the further expectation that in order to be eligible for a reimbursement, travel must have been in a low or zero emission vehicle in line with wider government commitments to encourage emission reduction.
- 4.4 The onus is on the member to provide supporting evidence of the vehicle’s emission status prior to consideration of a claim.

5. Travel Time Allowance

- 5.1 Council 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 where equipment and or connectivity is not provided by Council.
- 6.2 Members have the option to supply their own device/s or to be provided with a laptop by Council. Where a laptop is provided, the appropriate

adjustment will be made to the communications allowance paid to that member.

- 6.3 The allowance for each financial year (July – June) is typically paid on a pro rata fortnightly basis. However where a member wishes to receive the appropriate allowance as a lump sum payment, this can be arranged by notifying 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 Members are required to comply with the appropriate Council Information Technology policy on the matter at the start of each triennium.
- 6.5 Where a member is supplying their own device/s, they must ensure their devices, applications used and connectivity plans are approved by Council's IT staff for use with Council's systems.
- 6.6 Where a member is supplying their own device/s, 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 current Local Government Members' Determination issued by the Remuneration Authority allows that a childcare allowance may be provided as a contribution towards expenses that may be incurred by a member for provision of childcare while the member is engaged on Council business. The allowance is capped at a maximum of \$6,000 per annum, per child.
- 7.2 The childcare allowance is only payable if –
- 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
 - the child is under 14 years of age; and
 - the childcare is provided by a person who –
 - is not a family member of the member; and
 - does not ordinarily reside with the member; and
 - the member provides evidence satisfactory to Council of the amount paid for childcare. An invoice copy showing date/time/cost details is preferred.

8. Hearing Fees

- 8.1 Council may pay members for involvement in some types of hearings, in accordance with the current Local Government Members' Determination issued by the Remuneration Authority. The Determination defines which hearings apply and the type of work in relation to hearings for which recompense may be sought.
- 8.2 Members are required to fill out a claim form 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. Claims will be reviewed and authorised as appropriate by the Manager Consents and Compliance.

9. Training, Travel and Accommodation

- 9.1 Council takes a whole-of-triennium approach to budgeting for members training (including relevant conferences and seminars), travel, and accommodation.
- 9.2 A set amount is provided for each member for the triennium (three-year Council term), which may be used through to the pre-election period in an election year (unless related to a Local Government New Zealand event in which case budget may continue to be used within the pre-election period). This amount may be spent at the member's discretion within the agreed criteria for members' travel and training (see Appendix One).
- 9.3 The current set amounts per triennium are:
- | | | |
|------------|----------|-----------------------|
| Mayor | \$12,000 | (\$4,000 per year) |
| Councillor | \$5,000 | (\$1,666.67 per year) |
- 9.4 Within the same budget, provision is also made for some "pool" funding (approximately \$23,000 annually) which is available for opportunities that are open to and will benefit all members, in line with the agreed criteria. This includes funding for *Making Good Decisions* training.
- 9.5 Members may request funding from the pool funding over and above their individual allocation if they are facing extenuating circumstances or an extra burden in their role as elected member.
- 9.6 Requests for expenditure from the funding pool must be pre-approved by the Mayor and Deputy Mayor, with budget pre-approval by the Group Manager Corporate Services, prior to any bookings being made.
- 9.7 As well as guiding member decisions, the following provisions will be applied by staff when making arrangements or reimbursing expenses.
- 9.8 Members will notify the Manager Governance and Support Services of any professional development opportunities they wish to attend, who will advise of any requirements and considerations under this Policy and the members' travel and training criteria related to the training.
- 9.9 To book training, travel or accommodation members must complete the [Councillors' Domestic Travel/Accommodation Request Form](#) as soon as possible prior to the intended event to ensure the best value for money is able to be achieved in bookings made.
- 9.10 It is expected that registrations, travel and accommodation will be pre-booked through Council to maximise any benefits negotiated through Council's travel provider, and so minimal additional reimbursement is required (see also further detailed information on travel and associated arrangements below). Should unavoidable expenses be incurred, members are required to fill out a claim form to seek reimbursement.
- 9.11 The following costs may be covered for members attending conferences, seminars, training or other events related to Council business where applicable
- conference/registration fees
 - airfares
 - accommodation

- meals (excluding mini bar expenses)
- transportation (including buses, taxis, transfers)

9.12 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.

9.13 Following attendance at an event, members may share a short report with fellow members by sending this to the Manager Governance and Support Services.

Applicable claims

9.14 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 staff to ensure they meet policy requirements.

9.15 Only the actual and reasonable costs of travel, accommodation expenses and or 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.

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

9.17 Council will not reimburse any mini-bar expenses.

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

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

Air travel

9.20 Where a member requires air travel this should be booked by the Corporate Logistics Team as far ahead of the actual travel as is practicable, to be most cost-effective. Discounted economy or economy class is to be used 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 and pre-approval from the Chief Executive and Manager Corporate Services will be sought.

Accommodation

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

Staying with friends or family

9.22 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.

Travel at destination

9.23 Where a pre-paid card is available for public transport (e.g. buses in

Wellington – Snapper Cards) this is the preferred travel option.

- 9.24 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 the Manager Governance and Support Services.
- 9.25 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.
- 9.26 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 with pre-approval by the Manager Governance and Support Services, and the member must reimburse Council for any additional cost.

Road travel

- 9.27 Members who prefer to travel significant distances by road instead of by air (for example to Christchurch) may request to book a Council low/zero emission vehicle for this purpose through the Manager Governance and Support Services. Where a Council vehicle is booked, reimbursement for mileage will not apply.
- 9.28 Where car-sharing arrangements exist, a member may be reimbursed for their travel in a low or zero emission car-share vehicle, at the rates and within the limitations of the current Determination. It should be noted that claims under the Determination are based on kilometres travelled and not time booked as is typical for car-share arrangements. The member is responsible for keeping an accurate log of kilometres travelled to support their claim.
- 9.29 The maximum for any allowable reimbursement of road travel will be equivalent to the cheapest flight available to the same destination at the same time.
- 9.30 Reimbursement for travel time will not be applicable in this situation.

Fines

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

Extended stays before or after the work-related event

- 9.32 Members may ask for flight times to be booked that extend 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 does not give rise to any perception of inappropriateness.
- 9.33 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.
- 9.34 Private travel for members' spouses or family cannot be booked by Council and reimbursed by members (see also "Travelling spouses, partners or other family members" below).

International travel

- 9.35 All international travel must be approved by Council resolution prior to that travel taking place. This includes all travel for Sister City purposes.
- 9.36 The following costs will be covered for members travelling internationally on Council business
- airfares (including departure tax)
 - accommodation
 - meals
 - transportation (for example buses, taxis, transfers)
 - travel insurance
 - costs for any visas
 - conference/registration fees

Travelling spouses, partners or other family members

- 9.37 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 accompanying family member's travel costs (including what costs will and will not be covered) must be approved by Council resolution prior to that travel taking place.

10. Cash advances

- 10.1 Cash advances will not be available to members.

11. Mayoral vehicle

- 11.1 A vehicle may be provided to the Mayor as per the Remuneration Authority Determination. Where a vehicle is provided, agreement will be reached with the Mayor as to whether restricted, partial or full personal use (as per the definitions within the Determination) will be included, and the appropriate deduction made from the annual honorarium (in line with the calculation provided by the Determination).
- 11.2 A Council fuel card will be provided and all maintenance will be paid by the Council.
- 11.3 In the case of an electric vehicle being provided by the Council, where a charging facility is not provided on Council premises, a monthly reimbursement may be claimed for charging at the Mayor's home. The rate of this reimbursement will be calculated based on the average electricity cost per Council owned electric vehicle and will be reviewed annually by the Manager Governance and Support Services and Team Leader Payables.
- 11.4 Where a Mayor is not provided with a Council vehicle, they become eligible to claim mileage for Council business in line with the Determination and clause 4 above.

12. Tipping

- 12.1 Tipping is discretionary, and usually undocumented, expenditure. Tipping will not be reimbursed whilst a member is in New Zealand for business purposes. Tipping will only be reimbursed where it has occurred

during international travel in places where tipping is local practice.

13. Koha

- 13.1 A koha is a gift, a token, or a contribution given on appropriate occasions.
- 13.2 The size of the koha will be determined by the individual occasion. Koha are not to be confused with any other payments that Council makes to an organisation.
- 13.3 All koha need to be approved in advance. Where it appears a koha may be appropriate for an upcoming event, members must approach the Manager Governance and Support Services to initiate the approval process.
- 13.4 The giving of koha is likely to attract withholding tax.

14. Meals for meetings held in Nelson

- 14.1 Where meetings or workshops continue through normal mealtimes, members may be provided with a basic meal.
- 14.2 A basic meal may also be provided where some members have business that continues over most of the day, at the discretion of the Chief Executive.

15. Giving gifts

- 15.1 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 and Councillors' Office.

16. Mayor's credit card

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

17. Related policies

- 17.1 Elected Members Code of Conduct [code of conduct 14 Sept 2023.pdf](#)
- 17.2 Nelson City Council Credit Card Use Policy NDOCS-839498445-7666

18. Related forms

- 18.1 Elected Members Expenses claim form NDOCS-1522493403-1164

APPENDIX ONE - Criteria for members' travel and training

Council takes a whole-of-triennium approach to budgeting for members training (including relevant conferences and seminars), travel, and accommodation.

Set out below are the criteria agreed by Council for the expenditure of individual travel and training budgets allocated to elected members, and of the travel and training budget pool.

Criteria

When selecting training, meeting or conference and event opportunities (events), individual members are responsible for ensuring that their selected options align with these criteria, and must demonstrate to the Manager Governance and Support Services that:

1. The event is held in New Zealand.
2. The event is relevant to local government.
3. The event supports the member in contributing effectively and appropriately through their governance role to present and future needs of Nelson City Council.
4. The event is the most cost effective option to achieve the identified outcomes and if not, why it is preferred over more cost effective options.
5. The event is within the remaining available individual budget for the triennium.

If the Manager Governance and Support Services is not satisfied the above criteria are met, the request will be referred to the Mayor, Deputy Mayor and Group Manager Corporate Services for a decision. Where the Mayor is the traveller, the request will be referred to the Deputy Mayor and Manager Corporate Services only.

Any public or media enquiries about the member's travel and training will be directed to the individual member for response, and demonstration that the above criteria have been met.

Individual Travel and Training Budgets

Individual member travel and training budgets are to be used for training that supports individual statutory roles, as well as sector/conference opportunities for networking and sharing of information.

To ensure a balance between governance training and conference/sector opportunities, it is generally expected that half of the individual budget will be spent on conference/sector-related activities (the Mayor is expected to attend all LGNZ conferences).

Members may spend a higher proportion of their budget in one of these two areas, upon request to the Mayor, Deputy Mayor and Chief Executive.

Examples of individual budget spend specific to individual roles:

- District Licensing Committee training
- Chairperson training
- Audit and Risk training
- Institute of Directors courses

Examples of individual budget spend on conference/sector related activities:

- Local Government New Zealand Conference
- Forums specific to personal government interests, or related to a members' role on a Council Committee, Subcommittee or Group

Travel and Training Funding Pool

Provision is made for some "pool" funding which is available for opportunities that are open to and will benefit all members, in line with the agreed criteria.

Spending from the pool aims to improve the governance capability of Council as a whole.

Expenditure from the pool must be pre-approved by the Mayor and Deputy Mayor, along with budget pre-approval by the Group Manager Corporate Services, prior to any bookings being made.

Making Good Decisions certification will be funded from the pool.

Members can also request the use of funds from the funding pool to make up funding shortfall:

- For first term members for any additional governance training required.
- In the instance that an individual member's budget has been spent and they are facing extenuating circumstances, or they undertake a new role and additional training or travel is warranted.
- For attendance to fulfil a civic or representative role usually undertaken by the Mayor, and at which an elected member has been required to deputise.
- International travel undertaken as an elected representative of Nelson City (noting that all international travel must be approved by Council resolution prior to that travel taking place - this includes all travel for Sister City purposes).

Requests for expenditure on an individual member's training from the funding pool must be pre-approved by the Mayor and Deputy Mayor, with budget pre-approval by the Group Manager Corporate Services, prior to any bookings being made.