

Mileage Reimbursement

Policy No. 344

Policy Statement: Mileage reimbursement is paid to compensate for expenses incurred through work-related business travel in the Archdiocese and/or on behalf of a parish using an employee's or pastor's own vehicle.

Intent of Policy: To fairly compensate for the use of an employee's own vehicle for work-related business travel.

To manage mileage reimbursement costs and to reduce wear and tear on an employee's vehicle, the alternative of a rental vehicle should be considered.

Definitions: **Personal residence** is the place where the person maintains a self-contained domestic establishment. The term "self-contained domestic establishment" is defined as a dwelling-house, apartment, or other similar place of residence where a person generally sleeps and eats. A residence is considered to be a self-contained domestic establishment if it is a living unit with restricted access that contains a kitchen, bathroom, and sleeping facilities.

Place of employment is any location at which or from which the person regularly reports to work. To summarize, a regular place of employment is a work location where the person, in connection with his or her duties, files reports, receives instructions or employment information, or performs employment related duties.

Personal mileage is non business use of your vehicle. Examples include commuting to your place of employment, weekend driving unrelated to business, vacation driving, driving solely or primarily for personal reasons (personal banking, personal medical appointments, personal visits to family and friends, lunch.)

Procedure: Current mileage reimbursement rate is \$0.50 cents per kilometer for the first 5,000 kilometers incurred in a calendar year, and thereafter the rate is \$0.45 cents per kilometer.

- a) Only mileage pertaining to work-related business travel will be reimbursed. For each calendar year, archdiocesan personnel must keep a log of work-related business mileage in the event of a request from the Canada Revenue Agency.
- b) Employees must include a written description when submitting the Mileage Expense Report (see Appendix 344I) to their immediate supervisor, or designate. It is recommended that claims be submitted on a monthly basis.

- c) No claim is to be made for reimbursed automobile expenses on an employee's personal income tax return, unless the employee wishes to claim expenses using the form T2200.
- d) Rates for reimbursement are reviewed annually by the Clergy Personnel Committee and updated on the Mileage Expense Report – Appendix 344I.

Exception:

If work-related business travel exceeds 200 kilometres and is not a regular occurrence, then the employee must obtain pre-approval of their immediate supervisor or designate prior to such travel occurring and mileage reimbursement being claimed.

If the rental vehicle costs are less than mileage expenses, three options for reimbursement should be assessed:

- a) **Rental vehicle** – Arrange for a rental vehicle at a competitive and affordable rate. Submit the costs of the rental vehicle and fuel for reimbursement. (NB. Do not purchase insurance coverage from the car rental company as archdiocesan employees already have insurance with the Archdiocese for work-related business travel.)
- b) **Equivalent cost of a rental vehicle** – Use the employee's personal vehicle and submit a claim for the equivalent cost of a rental vehicle and fuel. Claim must be accompanied by documentation/quote.
- c) **Fuel cost** – Use the employee's personal vehicle and submit a claim for the cost of fuel used.

Travel to and from the personal residence and the place of employment is not eligible for reimbursement.

Refer to Appendix:

344I Mileage Expense Report