THE COUNCILLORS' WARD ALLOWANCE (CWA) FUND POLICY

Adopted by Council September 28, 2011
(amended June 25, 2014, December 10, 2014, October 28, 2015, October 26, 2016, June 21, 2017, October 25, 2017, June 21, 2018, March 21, 2019, December 12, 2019, January 30, 2020)

TABLE OF CONTENTS

1. PURPOSE OF ALLOWANCE 1

2. PRINCIPLES 1
- Autonomy of Council 1
- Integrity of Council 1
- Accountability 1
- Transparency 1
- Flexibility and Limits 2

3. ROLES AND RESPONSIBILITIES 2
- Councillors 2
- City Clerk's Department 2
- Audit Department 3
- Governance Committee of Council 3
- Corporate Finance Department 3

4. PROCESSES 4
- Expenditures 4
- Documentation 4
- Review Process 4
- Non-Compliant or Over-Expenditures 4
- Purchasing Cards 4
- Election Year 5
- Disclosure 5
- Accounting Procedures 5
- Purchasing Procedures 6
- Year-End 6
- Annual Report 7

5. ALLOWABLE EXPENSES 8
- Advertising and Promotions 8
- Business Meetings and Hospitality 9
- Community Expenses 10
- Councillor's Assistants 11
- Office Equipment 12
- Office Supplies 13
  - Community Offices 13
- Periodicals and Subscriptions 14
- Postage and Courier Services 15
- Printing, Binding and Photocopying 16
- Professional and Consulting Services 17
- Telephone and Communications 18
- Training 20
- Transportation 21
- Travel 22

The Councillors' Ward Allowance (CWA) Fund Policy

Section One: Purpose of Allowance

The Councillors' Ward Allowance (CWA) Fund Policy provides rules, guidelines, responsibilities and procedures with regard to the expenditure of funds from the CWA by Councillors as well as the expenditure of Chairperson funds by Councillors, which are received by virtue of acting as a Chairperson of a committee / member of Executive Policy Committee. All references to CWA funds in this policy also capture and apply to Chairperson funds.

amended June 25, 2014

Section Two: Principles

This policy is intended to reflect the following fundamental principles:

Autonomy of Council

- City Council, as the decision-making body of the City, is separate and distinct from the City Administration.
- The Autonomy of Council is provided for in *The City of Winnipeg Charter.*

Integrity of Council

- The integrity of City Council as a whole and the offices of the Councillors must be protected.
- The interest of City Council as a whole takes precedence over the personal interest of individual Members of Council.

Accountability

- Councillors must ensure prudent utilization of the public monies utilized to perform duties while in office.
- Councillors are stewards of City resources and are ultimately accountable to the public and their constituents for the type and level of expenses they incur.
- Councillor's expenses must be reasonable and reflect what the public expects of an elected official.
- Councillor's business expenses and personal expenses must be kept separate.
- Councillors must ensure that personal expenses are not incurred using City purchasing cards or any other means. Any personal expenses accidently incurred must be repaid immediately after the Councillor becomes aware of such a charge.

(amended October 26, 2016, October 25, 2017)

Transparency

- The public has a right to know how public funds allocated to Councillors are spent. The public's right to Councillors' expense information must be balanced against the need to protect privacy and personal information, and allow time for proper accounting and reconciliation of expenses

Flexibility and Limits

- Councillors require flexibility to perform their roles, operate their offices and pursue their interests.
- Councillors engage their communities differently.
- Expenditures must not conflict with rules set out in Election legislation, and other legislation.
- All accounting, audit and Income Tax principles and rules must be followed.

Section Three: Roles and Responsibilities

Councillors

- Authorize expenditures from their CWA.
- Meet all financial, legal and legislative requirements including Income tax obligations
- Stay within budget guidelines and expenditure categories outlined in this Policy.
- Keep safe and maintain all equipment and furniture provided by the City.
- Keep safe and maintain all equipment and furniture purchased with City funds.
- Ensure that all purchases are appropriate and that invoices are authorized after orders have been received or services rendered.
- Complying with purchasing, accounting and financial policies approved for Councillors.
- Must repay any personal charges immediately after the Councillor becomes aware of any such charge.
  (added October 25, 2017)
- Contact the Deputy City Clerk to seek advice on all aspects of this Policy.

City Clerk's Department

- Provide accounting and financial support to Councillors by directing payment of expenditures, preparing financial management reports and providing advice on handling difficult or unusual transactions.
- Provide purchasing support to Councillors with vendor lists, obtaining quotations, issuing purchasing documents and developing formal agreements.
- Provide staffing support to Councillors by preparing payroll documentation.
- Advise Councillors of the status of their budgets and expenditures.
- Advise Councillors if any item appears to breach the Councillors' Ward Allowance (CWA) Policy or is inappropriate.
- Refer unusual transactions in dispute to the Governance Committee of Council for review and disposition
- Make sure that supporting documentation is in place and that expenditures conform with the CWA and other policies
- The Deputy City Clerk must suspend processing of expenses and / or a City purchasing card if a Councillor fails to comply with any portion of this policy, including:
  1) Knowingly charging personal expenses to the City or a City Purchasing Card.
  2) Failure to repay an accidental personal expense within 15 days of becoming aware of such a charge.

3) Failure to file purchasing card statements, including receipts, descriptions and other required documentation within 2 months of the date of the statement.

- The Governance Committee of Council will review the suspension and make a decision on further action.
- The Deputy City Clerk will track personal charges incurred by Councillors and will refer multiple instances of personal charges incurred within a calendar year to the Governance Committee.
- Monitor changes in City policies and procedures and review relevance of these changes for the CWA Policy and related procedures.
- Provide training and orientation for Councillors and their staff at the beginning of each term and when required or as requested during the term from time to time.
- Assist Corporate Finance to disclose the CWA expenditures on the City's website on a monthly basis, including vendors for all external transactions.
- Develop procedures and provide training to staff to appropriately deal with CWA expenses that qualify for charitable receipting.

(amended October 26, 2016, October 25, 2017)

Audit Department (deleted January 30, 2020)

- ~~Provide an annual audit of the CWA to Council for its July meeting, through the Governance Committee of Council.~~

~~(amended October 28, 2015)~~

Governance Committee of Council

- Review amendments to the CWA policy brought forward by the City Clerk.
- Recommend amendments to the CWA policy to
- Council.
- Review and provide disposition on unusual expenditures, in open session. The Governance Committee does not have the ability to provide disposition on a request by a Councillor to exceed the Community Group donation limit of $5,000, with such decision to be under the purview of Council.
- Review a suspension of account processing and direct subsequent action, including re-instatement of expense privileges or purchasing card, continued suspension of expenditure privileges and / or request repayment of expenses from the Councillor.

  (amended October 25, 2017)
- Review instances of multiple personal purchases incurred by a Councillor.

  (added October 25, 2017)

Corporate Finance Department

- Payment of expenditure on direction of the City Clerk's Department.
- Monthly posting of CWA expenditures by ward.

Section Four: Processes

Expenditures

- Expenditures from the CWA can be made by purchasing card, by purchase request or purchase reimbursement.

Documentation

- A Councillor must submit appropriate documentation when requesting a payment or reimbursement for expenditures.
- All authorized expenditures from the CWA shall be submitted on the expense form (attached as Appendix A), with appropriate receipts attached and authorization for payment by the Councillor. No payment shall be processed until appropriate documentation has been provided.
- Copies of appropriate receipts are to be maintained on file to support these business expenditures.

Review Process

- Councillors are responsible for authorizing all expenditures.
- Councillors must bring unusual expenditures to the Governance Committee of Council for direction.
- The Deputy City Clerk will review all expenses submitted by Councillors to determine that proper documentation is in place and the expenditure is in compliance with the CWA.
- The Deputy City Clerk must suspend processing of expenditures if a Councillor fails to comply with any portion of the CWA policy.
- The Governance Committee of Council must review each suspension of expenditures and direct subsequent action.

Non-Compliant or Over-Expenditures *(amended October 25, 2017)*

- Each Councillor is personally responsible for reimbursing any non-compliant or over-expenditure of their CWA.
- Reimbursement for any over-expenditure must be remitted to the City Clerk for return to General Revenue within 15 days of being notified of the non-compliance or over-expenditure by the Deputy City Clerk.

Purchasing Cards (amended June 25, 2014, October 26, 2016, October 25, 2017)

- Each Councillor must enter into an agreement for the use of a purchasing card annually.
- Each Councillor must comply fully with the terms of the agreement and the purchasing card program procedures (attached as Appendix B).
- Each Councillor must provide receipts and expense descriptions to the City Clerk's Department within two months of the statement for processing.
- The Deputy City Clerk must suspend purchasing card privileges if a Councillor fails to comply with any portion of the purchasing card or CWA policy including:
  1) Knowingly charging personal expenses to the City or a City Purchasing Card.
  2) Failure to repay an accidental personal expense within 15 days of becoming aware of such a charge.

3) Failure to file purchasing card statements, including receipts, descriptions and other required documentation within 2 months of the date of the statement.

- Each Councillor must ensure that personal expenses are not incurred using City purchasing cards and that any such expenses accidently incurred are repaid immediately after the Councillor becomes aware of such a charge and in no case more than 15 days after being made aware of the charge by the Deputy City Clerk, after which time purchasing card privileges must be suspended.

(amended October 25, 2017)

Election Year

In the year of a general municipal election:

- The incumbent Councillor shall only be authorized to expend funds for that portion of the year that the Councillor is in office.
- Councillors shall not use CWA funds to purchase any furnishings and/or office equipment after the day wherein Councillor Candidates are allowed to register for civic office.
- Councillors shall not use CWA funds to prepare and/or distribute any advertising, newsletters, etc. after the day wherein Councillor Candidates are allowed to register for civic office. However, the Councillor may communicate with his/her constituents on specific issues during this period. Pre-paid annual advertising expenses incurred prior to this period, not pertaining to the election, are allowed.
- Councillors shall not use city purchased equipment or office space or CWA funds to pay for any services performed in support of Councillors' campaign for re-election.
- Councillors shall not use CWA funds to undertake Community Events after the day wherein Councillor Candidates are allowed to register for civic office.

Disclosure (amended June 25, 2014, October 26, 2016)

The Corporate Finance Department will post Councillors' expenses, including year-to-date expenditure details, by transaction, on the City's website within 30 days of the end of each month, except for December and January each year, where postings will occur as quickly as possible, but no later than within 75 days of the end of these months, in order to accommodate the City's Financial Year-End processes Disclosure details should include identifying the vendor, the account, description of purchase, date and amount of expenditure. Disclosure of each vendor who provided the goods / services must occur, including when reimbursements to Councillors occur.

Accounting Procedures

Councillor's claim for expenses must follow basic accounting and audit principles:

- The City's accounting system will be utilized and all expenditures will be posted to the related account.
- Expenses must relate to the business of the City of Winnipeg
- Councillors or their staff must incur the expenses. Expenses incurred by third parties cannot be claimed.
- Councillors and their staff cannot claim expenses of a personal nature. Where an invoice contains expenses of a personal nature, Councillors or their staff must reimburse the City for those personal expenses when they submit the request for reimbursement or payment of the expense to the Deputy City Clerk.

- Councillors and their staff must provide proper documentation, including receipts showing a detailed tax breakdown, for all expense claims. Credit card receipts or statements alone are not sufficient and will not be accepted. In the case of any internet on-line purchases, a copy of the confirmation must be attached to the claim.
- Invoices must include a description of the goods purchased or services rendered, the cost, applicable taxes and GST Registration Number.
- Equipment purchased with City funds are considered City property and must be returned to the City at the end of a term or such earlier time as the Councillor leaves office.
- Councillors or their authorized staff must sign off all receipts or invoices.
- Expenses must be charged to the year in which they occurred. Expenses cannot be carried forward to different years.
- Expenses that cover multiple years should be split to ensure that expenses are charged to the year in which the expense will be incurred.
  (added March 21, 2019)
- Councillors who charge for goods against the current year must have received the goods and/or services from the vendor before December 31 of the year.
- At the end of the year, when expenses have been incurred but invoices are not yet received, Councillors must inform the Deputy City Clerk so that a proper liability can be set up. Invoices from previous years that have not been set up as liabilities will not be paid or reimbursed from the previous year's budget. Payment of these invoices may be made against any carry over funds established. Alternatively, the charge may be referred to the Governance Committee for consideration as a charge to the current year's expenses.
  (amended October 25, 2017)

Purchasing Procedures

All purchases are to comply with Materials Management Policy.

Year End

- Each Councillor shall have until January 15 of the following year to submit all receipts for the preceding year for payment. Any authorized expenditures submitted after January 15 for which a liability has not been established should be charged to the carry over funds established or referred to the Governance Committee for consideration as a charge to the current year's expenses.
  (amended October 25, 2017)
- Unexpended funds from Councillor Ward Allowances may be carried over to the following year, at the discretion of the Ward Councillor, up to a maximum of 10% of the total ward allocation. Carried over funds must be expensed prior to December 31 of the next budget year, with no further carry over allowed. Any unused carried over funds shall be returned to the General Revenue Fund after one year.
  (amended June 25, 2014, March 21, 2019)
- Carry over funds be established as a permitted use in the General Purpose Reserve Fund.
  (added October 28, 2015)

- There shall be no carry over of monies, other than the 10% carry over noted above, from year to year. Monies not expended in the calendar year shall be returned to the General Revenues Fund at the end of the calendar year, unless specifically authorized by the Governance Committee for special projects. ~~Funds appropriated for special projects shall be disclosed in the Auditor's Annual Report.~~ (deleted January 30, 2020)
- Any expenses not charged to the current year's Councillors Ward Allowance should be charged to the carry over fund established by the Ward Councillor, wherever possible.
  (added October 28, 2015)

Annual Report (deleted January 30, 2020**)**

- ~~The City Auditor will prepare an annual audit of the CWA and report through the Governance Committee to Council for its July meeting. The audit will identify the remaining balance, if any, returned to General Revenue and disclose any special projects.~~ ~~(amended October 28, 2015)~~