



# CORPORATION OF THE TOWNSHIP OF ESQUIMALT

## COUNCIL POLICY

**TITLE: Car Allowances –  
Municipal Staff and Elected Officials**

**NO. ADMIN - 13**

POLICY:

Use of a personal vehicle is permitted for authorized municipal purposes.

Rates

1. A car allowance for reimbursement of ground transportation by personal vehicle may not exceed single economy air fare plus ground transport at the points of departure and arrival.
2. The car allowance shall be payable at the current rates established by the Government of Canada, Department of Finance "Automobile Deduction Limits and Expenses Benefit Rates for Business", and therefore these amounts are not considered taxable income.
3. Any employee using a personal vehicle for authorized municipal purposes may receive a car allowance based on kilometers traveled.
4. Any member of Council using a personal vehicle for authorized municipal purposes may receive a car allowance based on the total kilometers traveled, where travel is required outside the Capital Regional District,

Insurance

1. A member of Council or an employee using a personal vehicle for municipal purposes must carry a minimum of two million dollars (\$2,000,000) automobile third party liability insurance on the vehicle.
2. In certain circumstances, and after approval of the Department Head, an employee may receive reimbursement for the difference in cost between automobile pleasure use insurance and business use insurance. These amounts are not considered taxable income to the employee.

Regular Fixed Amounts

1. In certain circumstances, and after approval of the Chief Administrative Officer, an employee may receive a regular fixed amount for car allowance. These amounts are considered taxable income to the employee and the Township will supply a Government of Canada form enabling the employee to claim appropriate personal auto expenses when preparing his/her own tax returns.

**EFFECTIVE DATE:**  
October 3, 2011

**APPROVED BY:**  
Council

**REFERENCE:**  
FIN-11-022  
FIN-11-038

**AMENDS:**  
July 11, 2011

**PAGE 1 OF 1**