



CITY COUNCIL DIRECTED POLICY

Policy # 19-02 ccd

TO: City Council

FROM: Russ Blackburn, City Manager

EFFECTIVE DATE: 4/8/2019

INITIATED BY: Jeff Snyder, CPA, CFO

POLICY TITLE: Travel Policy

PURPOSE STATEMENT

Objective. To govern expenses incurred by city employees who travel out of the city on authorized city business.

DEFINITIONS

Responsible agency. Department heads are responsible for managing the travel budget for their department and for ensuring travel expenditures are proper and in compliance with this policy. The Financial Management Department is responsible for auditing travel expenditures and for approving travel advance and expense reports.

Travel authorization. Employees must complete and submit a travel authorization form to the department head for approval before any funds are committed or travel occurs.

POLICY

Prepaid travel expenses.

(a) *Purchasing card.* City employees may, with authorization from their Department Director, obtain a purchasing card to use for appropriate travel expenses. The purchasing card is a safe and direct way to pay for airline tickets, hotel, and other travel related expenses. Employees are encouraged to use the card in lieu of requesting travel advances.

(b) *Request for travel advance.* In the event an employee chooses not to use a purchasing card, a travel advance can be obtained with a "Request for Prepaid Travel Funds" approved by the city.

Upon completing the travel, an exact description of the expenses incurred must be identified on a "Travel Expense Report" approved by the Department Director or direct supervisor in the case of a Department Director or Assistant City Manager. The travel advance amount will be charged to an employee travel advance account until the expense report is received. Once the expense report is received, the advance will be charged to the appropriate departmental travel expense account. If proper documentation on a travel advance is not received on a timely basis upon completion of the travel, a payroll deduction from the employee's paycheck will be made to clear the advance.

Employees should use a purchasing card for primary costs such as airfare, lodging, rental car, and registration. Personal funds should be used for insignificant costs such as tips and taxi fares. Travel advances will not be issued for less than \$25.00.



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Expenses approved for reimbursement.

Following is a list intended as a general guide for reimbursement. It is not necessarily all-inclusive; discretion remains with the City Manager, or his designee, in approving travel expenses for unusual circumstances.

Employees traveling on behalf of the city are expected to utilize services and accommodations appropriate for the business to be conducted. Employees are expected to travel and conduct business in reasonable comfort, and to exercise good judgment in distinguishing between comfort and extravagance.

(a) *Transportation.* Employees are advised to use city vehicles as much as possible. In all cases where reservations are possible, employees should make the reservations as far in advance as possible to obtain lower rates. Employees should check with the airline or travel agent booking the flight to determine if a lower fare is available if the employee's trip runs into a weekend. Usually, return flight costs are significantly lower if the individual stays a Saturday night. Supervisors approving travel should weigh the difference in additional hotel and meal costs and opt for the lesser-cost scenario. The following additional guidelines are to be observed.

- (1) Commercial airline – the city will pay the cost of the airline ticket. Only “coach” flights will be authorized.
- (2) City-owned vehicle – employees are encouraged to use city-owned vehicles for out-of-town travel. If a city vehicle is used, a purchasing card may be used for gas and other vehicle costs.
- (3) Personal vehicle – if a city vehicle is not available or if an employee's personal vehicle is the most cost-effective alternative, the city will reimburse the current mileage rate authorized by the Internal Revenue Service's Standard Mileage Rates applicable to the date of travel for mileage from destination city to destination city. Any vicinity mileage necessitated because of conducting business activities while out of town is eligible for reimbursement.

(b) *Local transportation at the travel destination.* When air, rail or bus transportation is used, expenses for local transportation will be allowed whenever such transportation is necessary to conduct city business. In most cases, it is assumed that taxi and hotel courtesy vans will be the preferred mode of travel. In certain circumstances, taxi fares can be in excess of rental car rates and as such the traveler may be well advised to rent a car rather than use a taxi. Employees may secure rental cars with prior approval of the Department Director or direct supervisor in the case of a Department Director or Assistant City Manager traveling. Approval will only be granted in those cases where there is sufficient justification.



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(c) *Lodging.* The cost of lodging will be reimbursed. While the city expects employees to enjoy comfortable lodging, luxury/resort accommodations shall be avoided. Employees should use the conference hotel or request the government rate when making reservations at a hotel. Most hotels will not accept claims to government rate after check-in. An original receipt must accompany the "Travel Expense Report."

(d) *Meals and tips.* While in travel status, per diem rates must be used for meals and incidentals. Actual costs for meals will be reimbursed if required for business meetings. The detailed itemized receipt and an explanation of the circumstances must be attached to the "Travel Expense Report." (i.e., if an employee travels to Tallahassee to discuss legislative matters with members of the state legislature over dinner, the employee pays the actual cost of the meal and is not limited to the per diem for dinner). A detailed itemized receipt must be attached to the "Travel Expense Report."

The source for per diem rates is General Service Administration (GSA) website <https://www.gsa.gov/travel/plan-book/per-diem-rates>, Meals & Incidentals Expenses Rates Total (M&IE Total). Per diem rates are available for meals and incidentals for all locations by clicking on the appropriate state to which the employee is traveling.

Employees are entitled to these per diem rates when leaving 1-1/2 hours before the normal meal hours or return 1-1/2 hours after the normal meal hours. For the purpose of this policy, normal meal hours are considered 8:00 a.m. for breakfast, 12:00 noon for lunch and 5:00 p.m. for dinner. The time of departure and arrival shall be noted on the "Travel Expense Report." No receipts for meals and tips purchased with per diem are required.

Qualifying breakfasts will be reimbursed at 20%, lunches at 30% and dinners at 50% GSA M&IE Total per diem rates.

In all travel events, employees will not be reimbursed for meals that are included in conference registration costs or are otherwise provided at no cost to the employee. A copy of the event brochure/itinerary must be provided with the expense report.

Fees and tips, not to exceed 15%, for services, such as taxi drivers, meals (only if actual costs are paid), and luggage handlers will be reimbursed.

Costs of alcoholic beverages are not reimbursable. Employees are expected to pay for any alcoholic beverages separate from any eligible meal. This requirement includes purchase of meals on the city's purchasing card (i.e., charges for alcoholic beverages must not appear on purchasing card statements). If there is an unforeseen instance in which alcoholic beverages are charged to the purchasing card, the cost must be reimbursed to the city immediately. In these circumstances, the "Travel Expense Report" requires approval by the city manager.

City funds may be used to reimburse meals under the following circumstances:

- (1) Employees while in travel status, in accordance with the travel per diem amounts.



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(2) Meal expense reimbursements to interviewees, (including a significant other when required by the city) while in travel status for an interviewee's own meals incurred during a visit to the city.

(3) Meal expense for the business meal of a guest, consultant, or other independent contractor.

(e) *Day travel.* The IRS has determined that payments for meals related to day trips (no overnight stay) are income to the recipients. Therefore, all reimbursements made for meals will be included on the employee's W-2 and reported to the IRS as income. A separate "Travel Expense Report" will be provided for trips which do not include an overnight stay away from the traveler's taxpaying residence.

(f) *Registration fees.* When possible, all registration fees should be paid in advance; however, employees will be reimbursed for fees charged for registration at any approved conference or meeting. A receipt and copy of the event brochure must be provided with the expense report.

(g) *Personal and entertainment expenses.* The city will not reimburse personal expenses, including movies, health club charges, personal use of the business center, laundry or dry-cleaning charges, as well as any personal entertainment expense.

(h) *Spouses and guests.* The city will not reimburse an employee for any travel related expenses of his or her spouse or guest unless that spouse or guest is traveling on behalf of the city for a business-related purpose. In the event that the spouse or guest is conducting business on behalf of the city, they should submit their own "Travel Expense Report", using this policy as a guide. These special circumstances require prior approval by the City Manager.

(i) *Other expenses.* Tolls, parking, and other trip related expenses may be reimbursed, provided the employee provides documentation and a valid reason for the expense.

Submission requirements.

The completed, authorized "Travel Expense Report" supported by all necessary documentation should be submitted to supervisors (department head level or above) within ten working days of completion of travel. The review and approval of travel expense should be completed within 10 working days of receipt. At no time shall the submission of the "Travel Expense Report" exceed 30 calendar days. When review and approval are complete, travel documentation should be forwarded to the Financial Management Department including repayment of advance, if any. Reimbursement for travel will be paid every other week, coinciding with payroll. If a payment request supported by appropriate documentation is received in finance no later than 2:00 p.m. on the Wednesday before pay day, reimbursement may be expected on pay day.



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(a) *Required documentation.* The purpose of required documentation is to provide evidence to anyone who reviews the travel transaction that public funds were expended in compliance with this policy. The standard for sufficient documentation is that anyone who reviews the transaction can review the accompanying documentation and see that all funds were expended in accordance with policy.

(b) *Forms.* An approved "Travel Expense Report" and a copy of the conference brochure/itinerary, if applicable, must support each trip. Separate travel expense reports must be submitted for day trips (taxable) and overnight trips (nontaxable).

(c) *Receipts.* Detailed itemized receipts are the most accurate and thorough documentation as they clearly list the amount and nature of each expense. Detailed itemized receipts, including purchasing card receipts and payments made via travel advance, must be attached to the travel expense report, summary receipts are not acceptable.

If a detailed receipt is not obtained and included as part of the documentation accompanying the expense report, the report will be returned to the employee's department head as incomplete.

All receipts must be attached, by day, to an 8-1/2" by 11" sheet of paper and attached to "Travel Expense Report". Separate reports must be submitted for each individual traveling.

If receipts or travel funds are lost or stolen, the employee should contact his department head or supervisor, who will coordinate with the Financial Management Department for resolution.