

**Section I - Purpose**

Employees of the City may be reimbursed with appropriate organizational funds for business related travel in accordance with City guidelines. Such guidelines were developed consistent with IRS regulations as an accountable plan.

**Section II - Definition**

- A. The City defines business travel as any trip taken away from the employee’s work location for the purpose of enhancing professional development or representation at business functions.

The IRS defines ‘traveling away from home’ as:

- 1. Your duties require you to be away from the general area of your tax home substantially longer than an ordinary day’s work, and
- 2. You need to get sleep or rest to meet the demands of your work while away from home.

**Section III – Travel Approval**

- A. Must be employees of the City unless the City Administrator grants an exception.
- B. All travel must be pre-approved by the employee’s Department Head and advanced notification to Human Resources and Finance is required. Department Head travel must be pre-approved by the City Administrator.
  - 1. Employee’s time out of the office needs to be scheduled and approved by the employee’s Department Head.
  - 2. Expenses not pre-approved could be denied for reimbursement and would be the employee’s responsibility to pay.
- C. All travel outside the continental United States is to be pre-approved by the City Administrator.
- D. All travel expense forms must be signed by a direct supervisor.

**Section IV – Travel Arrangements**

- A. The City does not have limitations on which travel agency or car rental agency is used for travel. However, City employees shall make every effort to secure the least expensive travel arrangements.

- B. When workshops or seminars are given at different locations, attendance should normally be scheduled at the nearest location.

### **Section V – Payment Sources and Out-of-Pocket Reimbursement**

- A. Travel expenses may be paid by either the department’s purchasing card, City issued checks, or by personal means.
  - 1. The department’s purchasing card or employee’s personal credit card may be used to reserve hotel rooms, pay for airline tickets and meeting registrations.
  - 2. Travel advances can only be issued to a vendor. No cash advances will be issued payable to an employee.
  - 3. Employees are reimbursed for out-of-pocket expenses by submitting itemized receipts.
  - 4. A travel expense report must be completed within seven (7) business days after the travel has been completed.
  - 5. Per IRS regulation 1.62(h): If amounts paid to an employee under an accountable plan are not substantiated (receipts are not returned) within a reasonable period of time, or amounts exceeding the substantiated amount are not returned within a reasonable time period, such amounts must be included in the employee’s wages in the first payroll period following the end of the reasonable period. The reasonable period for the purposes of this policy is 60 days from the return date of initial travel.

### **Section VI – Allowable Travel Expenses**

- A. Registration Fees
  - 1. The required receipt for meeting registrations is the complete registration form showing the name of the conference, purpose, dates, place, and dollar amounts. This can be either the conference brochure or the printout from the website if registration is made online.
  - 2. If an employee pays the registration personally, proof of payment (receipt) is needed for reimbursement in addition to a copy of the registration form.
  - 3. Optional Social Events will be approved by the employee’s department head utilizing budgetary discretion and City purposes.

B. Airfare

1. Airfare should be coach and advance planning is recommended to take advantage of airfare discounts.
2. Multi-destination trips that include personal airfare travel will be paid/reimbursed for the applicable business portion only.
3. Airline tickets for cancelled trips must be surrendered to the Department Head for safekeeping and used as a credit towards a future business trip.

C. Hotel

1. The lodging receipt must be the original bill and must show the name and location of the hotel, the employee's name, dates of stay, and separate amounts for the charges such as lodging, meals and telephone.
2. The City does not have limitation on which travel agency or hotel is used for travel. However, hotels should not be lavish or extravagant. If a less expensive alternative is available, the City will only reimburse for the less expensive alternative costs.

D. Parking

1. Receipts are required for reimbursement.

E. Meals

1. Meals for both in-state and out-of-state travel with an overnight stay may be reimbursed at \$50.00 maximum each day.
2. Meals charged to the City's purchasing card must be indicated on the travel expense form.
3. Tips will not be reimbursed for the amount over 20%.
4. Group meals require additional documentation including business purpose and name of persons attending function.
5. Alcoholic purchases are non-allowable travel expenses.

F. Mileage

1. Automobile mileage is reimbursed at the Internal Revenue Services' standard rate for that time period in which travel is completed. The rate is intended to cover all operating cost of the vehicle (including fuel, maintenance, depreciation, insurance, etc.).

2. Employees may be reimbursed for the use of their personal automobile when used for business related travel. Mileage is to be calculated from the office to the destination or from the traveler's home to the destination, whichever is less.
3. If an employee chooses to drive rather than fly while on business, reimbursement will be based on actual in-transit expenses (mileage, hotel, meals, etc.), not to exceed the lowest available commercial airfare plus local transportation to and from the airport.

G. Car Rental

1. The City will only reimburse the cost of a rental car for the period and purpose of authorized travel.
2. Mid-size or equivalent priced vehicles may be rented to transport employees from their home city or hotel to a business function in an extended location and must be approved in advance of the trip.
3. Gasoline charges may be reimbursed if receipts are submitted and the charges are not included in the total car rental invoice.
4. The car rental receipt must show the name of the renter, name of additional drivers, rental dates and times, rate per hour, day, week and/or mile, type of vehicle, insurance charges, fuel costs, fuel surcharges and taxes.
5. No personal travel expense will be reimbursed. Business mileage will need to be adequately documented.

H. Taxi/Shuttles

1. Receipts for taxi fares are required.
2. Shuttles normally supply a receipt or ticket stub.

**Section VII – Travel Expense Forms**

- A. Travel Expense Form completion is required for all employees. This form must be completed no later than seven (7) business days after the designated travel.
- B. All travel expenses must be substantiated within 60 days of the date of original travel to be excluded from income. Travel expense forms received after 60 days of the date of original travel may be processed and if processed will be subject to income tax withholding.
- C. Purchasing card related expenses shall be processed according to the City's Purchasing Policy.

### **Section VIII – Approval**

- A. The employee’s direct supervisor/manager will review and approve all receipts and make sure that all itemized receipts accompany the travel expense report, ensure that the receipts being submitted are in accordance with this policy, provide their signature for approval, and submit all documentation.

### **Section IX – Non-Allowable Travel Expenses/Restrictions**

The following are non-allowable travel expenses for City employees:

- A. Hotel safe insurance and travel life insurance
- B. Pay per view TV, movie charges and in-room mini bar charges
- C. Laundry and dry cleaning
- D. Any type of Air Club fees
- E. Surcharges for upgraded rooms and first class airfares
- F. Expenses for spouses or guests cannot be expensed on Purchasing Card.
- G. Rental car for personal use
- H. Refrigerator rentals
- I. Alcohol