



## City of Wildomar

### City Staff Travel and Expense Policy

#### PURPOSE

The purpose of the Travel and Expense Policy is to establish responsibilities and guidelines for City employees when attending business or professional conferences, training seminars or other travel on authorized City business. Contractors and consultants are not covered under this policy.

It is the intent of the City of Wildomar to ensure compliance with all federal and state regulations and laws, including the United States Internal Revenue Service regulations.

#### POLICY

In general, all reimbursements to City employees are a use of public funds. The City expects to reimburse reasonable costs incurred by City employees when traveling on City business, and City employees are expected to use good judgment in their expenditure of public funds.

The City's reimbursement plan is an "accountable plan" by the IRS. The plan includes a combination of reimbursements based upon receipts and a "per diem" component (for overnight travel) approved by the IRS. Because of this, reimbursement of business-related expenses paid to City employees is generally tax-free. Upon return, a detailed record of all reimbursable expenses and/or per diem incurred during the travel must be submitted on a Travel/Expense form.

#### A. Definitions

1. Business travel - authorized attendance at conferences, meetings, and seminars or authorized travel for any other purpose in connection with official City responsibilities. Business travel includes day trips and trips requiring one or more overnight stays in connection with official representation of the City in order to:
  - a. Communicate with representatives of regional, state, and national government on City adopted policy positions.
  - b. Attend training schools, seminars, symposia, conferences, hearings, conventions, or other meetings.
  - c. Interview persons, inspect facilities or institutions, conduct surveys, and exchange professional information or otherwise travel for the benefit of the City.
  - d. Act as host to persons who, for protocol reasons, merit appropriate courtesies.
  - e. Transport equipment to and from distant points for repair, maintenance, etc.
  - f. Participate in such other activities requiring expenditures for travel and/or subsistence as are necessary to serve in the best interest of the City.
2. Local travel - travel within a radius of fifty miles from the City employee's regular worksite.

3. Out-of-town travel - travel greater than fifty miles from the City employee's regular worksite.
4. Business travel period – the period of time necessary to travel by the most cost-effective and appropriate travel method to attend conferences, meetings, and seminars related to city business. Additional time required to travel as the result of alternative travel methods selected by city employees is not included in the business travel period and expenses are not subject to reimbursement.
5. Mileage allowance - the reimbursement paid to the City employee for the use of his/her own personal vehicle during travel on official City business. The mileage reimbursement rate will be the prevailing rate established by the Internal Revenue Service (IRS).
6. Allowable expense - an expenditure deemed by the U.S. General Services Administration (GSA) as a stand-alone expense that is fully reimbursable, and not included as an incidental expense under per diem rates.
7. Incidental expense - federal travel regulations define "incidental expenses" as fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards; transportation between places of lodging or business and places where meals are taken; and the mailing cost associated with filing travel vouchers.
8. Exempt City Employee - an employee of the City, who, because of his or her positional duties and responsibilities and level of decision-making authority is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). Exempt employees are those who are exempt from certain wage and hour laws, i.e. overtime pay. This designation usually applies to the administrative, executive, or professional employees who receive an annual salary, in equal payments weekly, bi-weekly, or at some other specified time interval. Non-exempt City employees are those employees that are not exempt from the overtime provisions of the FLSA.

## B. Provisions

### I. Approvals

- a. All City employees must obtain approval from their department head before incurring any travel expenses. Non-budgeted, out of county travel must be approved by the City Manager or his/her designee.
- b. All travel and meetings anticipated to cost over \$150 or requiring an overnight stay must be approved in writing, in advance by the employee's Department Director. To accomplish this, the employee will prepare and initial the City's brief "Travel and Meeting Authorization Form". The Department Director will sign, date and return this memo to the employee for subsequent inclusion with the reimbursement request upon return from travel.
- c. Any number of City employees may attend conferences if funds for such purposes are specifically provided for and included in the annual budget, and the number of attendees is justified in consideration of the cost. In the absence of an annual budget, such travel must be approved in advance by the City Manager.
- d. The only people permitted to attend out-of-state conferences shall be Department Directors unless specific permission has been approved in advance by the City Manager.

- e. Every effort shall be made to avoid the simultaneous absence of both the department head and the department head's primary assistant.

2. Transportation

- a. Use of air, train, private car or bus shall be selected on the basis of the most reasonable and appropriate method, taking into consideration distance, overtime, lost work time, and total costs to the City after all of the expense items are tabulated. The City employee should also return promptly when business is finished, thereby minimizing the time away from work and ensuring full reimbursement of all related expenses. Trips should be via the most direct and commonly traveled routes. Other routes may be authorized when official business requires their use. Costs associated with indirect routes, stops along the way for personal reasons, or extending time beyond what is required for official business will not be paid for or reimbursed by the City.
- b. If a City employee wishes to drive rather than fly to a destination, the City will reimburse the lesser of the mileage rate to and from the site or the amount of the booked plus the cost of mileage to and from the airport, the cost of long-term parking, and the cost of transportation from the airport to the meeting or conference site for the time necessary for business travel only. If parking fees are charged at the meeting or conference location due to the City employee driving their personal vehicle the mileage and parking costs will be reimbursed up to the cost of the airfare, mileage, parking, and transportation costs listed above for the period of time necessary for business travel. The City will not cover the cost of additional expenditures such as meals, lodging, parking, and any other costs incurred due to the additional time required to travel by auto.
- c. Reimbursement shall be at the prevailing IRS established rate. Mileage will be calculated from either the workplace or the City employee's home to the destination and reimbursed on the lesser of the two. The use of a privately-owned vehicle on City business requires the driver to possess a valid California driver's license and to carry automobile insurance. Any damage to the vehicle or service repairs are of a personal nature and therefore not reimbursable by the City and the City shall assume no liability. Reimbursement will be based on the vehicle and not on the number of City employees attending (i.e., the owner of the vehicle will be paid and not the passengers). Mileage will not be reimbursed to City employees using City vehicles. City employees who receive an auto allowance may be reimbursed mileage only if the travel is greater than 100 miles round trip.
- d. Expenditures deemed as an allowable expense by the GSA, such as tolls, parking, Internet service and checked baggage for airlines will be fully reimbursed upon presentation of the original receipts for the period required for City business. The cost for valet parking will only be reimbursed if no self-parking for a lower price was available.
- e. When the use of public air carrier transportation is approved, travel for all personnel shall be in coach class or equivalent service. Private automobile use to and from the airport shall be reimbursed for all miles at the current mileage rate. Long-term

parking must be used for travel exceeding 24 hours unless the onsite parking rate is lower.

- f. While traveling, the use of rental vehicles is discouraged. Shuttle services, buses, taxis, or car services between airports and meeting locations, including a fifteen (15) percent gratuity per fare, will be covered. Rental vehicles shall only be permitted when no other transportation is available or when alternate transportation would be more expensive or impractical. Prior approval from the City Manager is required. When rental vehicles are used, the least expensive vehicle practical shall be used, and car rental insurance should be purchased from the rental agency.
- g. When travel time occurs outside of regular working hours, the City employee will not be compensated for the travel time when they are a passenger on an airplane, train, boat, bus or car. If a non-exempt City employee is required to drive and he/she is the driver, then that travel time will be compensated. Department heads are required to pre-approve any overtime that may occur due to the scheduling of a backup for the City employee while he/she is away on City business.
- h. City vehicles are not to be used for long-distance travel. If daily training occurs within a 50-mile radius, staff may opt to use a City fleet vehicle if it is not already in use for City business. Under no circumstances should a City vehicle be taken on an overnight basis.

### 3. Lodging

- a. Lodging shall be obtained at the most economical rate available for good quality. In general, hotel accommodations should be for the standard room rate, government room rate, or conference attendee rate, whichever is less. Upgrades to accommodations are not covered.
  - 1) If lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking.
  - 2) The City will pay for a single occupancy room (including taxes, parking and other allowable expenses) for as many nights as is necessary based on the time and location of the event. Lodging will be provided to City employees the night prior to the meeting or conference when flight schedules do not allow for arrival on the day of the event prior to the start. Lodging will be provided on the last day of the event only if the event ends late in the day and no return flights are available.
  - 3) City employees must cancel any reservation that will not be used. If the City is charged for an unused reservation, the City employee will be responsible for that charge unless circumstances requiring cancellation were reasonably beyond their control.

- b. A City employee may stay with a friend or relative while attending an out-of-town meeting or conference; however, the City will not reimburse the City employee for any payment to the friend or relative for lodging or meals or transportation.

#### 4. Per Diem Allowance

- a. All employees traveling out-of-town that requires overnight stays are deemed to be on a "per diem" plan for purposes of submitting supporting documentation and receipts for any cash advance or per diem allowances in accordance with Internal Revenue Service regulations then in effect. The method to compute reimbursement will be the prevailing per diem rate schedule published by the GSA Per Diem Rate Schedule. To qualify for this rate, a City employee must attend an out-of-town event for more than twenty-four hours.
  - I) Receipts are not required for meals and incidental expenses (M&FE) reimbursed as part of the per diem allowance.
  - II) Employees are responsible for their own meals and incidental expenses for all local travel.
    - a) On an exception basis, as preapproved by the City Manager, employees may be eligible for reimbursement of meals and incidental expenses up to the per diem allowance for local travel.
- b. The per diem allowance shall be the standard meal allowance for meals and incidental expenses in effect for the area where the traveler stops for rest or sleep.
- c. The GSA Per Diem Rate Schedule includes provisions for partial days, including first and last days of conference or event and a meal and incidental breakdown.
  - 1) If certain meals are provided during a conference, those meals must be subtracted out of the per diem rate using the GSA Per Diem Rate Schedule provisions for partial days for the city in which the meeting took place.
  - 2) The provision of a "Continental Breakfast" will not be counted as a meal provided for the purposes of this section.

#### 5. Meal Expenses for Travel Not Requiring Overnight Stays

- a. For trips not requiring overnight stays, the actual cost of meals at a hotel, restaurant, cafeteria, cafe or deli consumed by the City employee while on business travel will be reimbursed when documented by appropriate receipts. The actual cost includes non-alcoholic beverages, taxes, and tips.
  - i. Receipts must show the itemized meal and should have the City employee's name and the nature of the business documented.
  - ii. Reimbursement shall not exceed the daily meal limit amounts set above, regardless of the number of receipts submitted.
  - iii. Meals for travel under twenty-four hours may be taxed according to IRS regulations.
  - iv. City employees will not be reimbursed for lunches if the location of the conference is within the City since the City employee could have lunch in the manner they normally choose.
  - v. City employees will not be reimbursed for lunches which are already included in the conference registration fee.

- vi. If a City employee is attending a one-day seminar whereby lunch is not included in the price of the seminar, the reimbursement may not exceed the prevailing GSA lunch rate for the city in which the meeting took place.

6. Cash Advances

- a. If, in the judgment of the department director, the estimated expense is too high to expect a City employee to finance him/herself and be reimbursed at the conclusion of the travel, the department director may authorize a cash advance of a minimum of one hundred (\$100) dollars up to a maximum of one thousand five hundred (\$1,500) dollars to the City employee.
  - 1) Authorization shall be in the form of a Memorandum from the department director to the Finance Department.
  - 2) Exceptions may be granted by the City Manager.
- b. Cash advances shall be restricted to a maximum of per diem allowances as defined in Section 4.
- c. Approved cash advances should be submitted to the Finance Department three weeks prior to the departure date.
  - 1) The City employee will be notified by the Finance Department when the requested funds are available for pickup immediately prior to the dates of travel.
  - 2) Receipt of a cash advance for travel expenses does not constitute pre-approval for the expenditure of the entire amount so advanced, as all expenditures must be reasonable, justified and approved.
- d. If a City employee has accepted a cash advance, a reconciliation of the advance payment must be made based on actual expenses incurred as part of the expense report and submitted to the City within ten (10) calendar days of returning from the conference or meeting.
  - 1) If actual expenses exceed the amount of the advance, any additional expenses will be reimbursed.
  - 2) If actual expenses do not exceed the expense advance received, the City employee shall attach a personal check made payable to the City of Wildomar for the unused portion of the advance.
  - 3) If reimbursement for unused or unsubstantiated expenses has not been received within ten (10) calendar days of returning from the conference or meeting, or if no Travel and Expense form has been submitted, the amount advanced or unsubstantiated will be withheld from the employee's next paycheck.

7. Reservations

- a. Where possible, all requests for advance payment of conference or meeting-related expenses (i.e. registration, hotel, etc.) must be submitted to the Finance Department five weeks prior to the departure date.
  - I) The payment will be paid directly to the vendor by City warrant or Credit Card.

8. Other provisions

- a. Spouses and guests are permitted to accompany the City employee on City travel and at conferences, seminars, and meetings, except when such accompaniment would interfere with the conduct of City business. Any additional costs associated with the participation of the spouse or other guests are the City employee's responsibility.
- b. If Internet access is necessary for City related business, the City will reimburse internet access connection and/or usage fees away from home for the necessary business travel period only. The rate must be listed as such on the invoice, so as not to be confused with other incidental costs.
- c. Baggage handling fees of a generally accepted, reasonable amount and gratuities of up to 15% will be reimbursed.

9. Unauthorized Expenses

- a. Items of a personal nature are not reimbursable, including: movies, entertainment, premium television services, alcoholic beverages, snacks, gift certificates, laundering or dry-cleaning, spas, gyms, barbers, magazines, shoeshine, travel insurance, purchase of clothing or toiletries, loss of tickets, fines or traffic violations, non-mileage personal automobile expenses, including repairs, insurance or gasoline, personal losses incurred while on City business, excess baggage, spouse and/or guest accommodations, office equipment, and other items of a personal nature.
- b. The City will not reimburse for any costs associated with intra-staff meetings (i.e., staff meals and refreshments are not reimbursable). Special training sessions, goal-setting workshops, and other unique one-time meetings or situations may be pre-approved by the City Manager on a case-by-case basis. The City will not reimburse for optional quasi-social functions such as retirement or testimonial dinners unless approved in advance by the City Manager. The City will not reimburse for political or charitable contributions.
- c. Spouses and guests can accompany the City employee on City travel and at conferences, seminars, and meetings when using public or private transportation. Spouses and guests are not allowed to accompany the City employee in a City vehicle. Any additional costs associated with the participation of the spouse or other guests are the City employee's responsibility. This includes any increased rate due to double occupancy.
- d. Expenses for which City employees receive reimbursement from another agency are not reimbursable.
- e. If unauthorized expenses have been paid by the City (i.e., via credit card or petty cash) the City employee will be responsible for immediate reimbursement to the City. If expenses have not been reimbursed within ten (10) calendar days of discovery, expenses will be recovered through a payroll deduction on the employee's next paycheck.

C. Travel/Expense Form

1. Upon return from the event, the City employee must submit an approved Travel/Expense Form to the Finance Department. This form itemizes all expenses associated with the event and is approved by the department head. All original receipts must be attached, as well as a copy of the conference schedule. This form is due to the Finance Department within ten (10) working days of the City employee's return.
2. Expense Forms must document that the expenses in question meet the requirements of this policy. For example, if the meeting is with a legislator, the City employee should explain whose meals were purchased, what issues were discussed and how those relate to the City's adopted legislative positions and priorities.
3. If a City employee has lost a receipt for a travel-related item, a memo is required. The memo must include the following:
  - a. Explain the circumstances in detail, such as time, activity, and reason for losing the receipt
  - b. Include all receipt information such as place of business, amount, date, description of item, etc.
  - c. The City employee must sign the form.
  - d. The department head must sign.

**D. Interpretation of Policy**

The intent of the policy is to provide guidelines to cover the necessary costs associated with City employees attending conferences and meetings related to, and for the benefit of, the City of Wildomar in the most cost-effective manner. Fiscal prudence should prevail in the interpretation of the policy as it is impossible to cover every unique situation that may arise. Any disagreement as to how the policy should be applied should be referred to the City Manager.

**E. Violations of this Policy**

Use of public resources or falsifying expense reports in violation of this policy may result in any or all the following:

- 1) Loss of reimbursement privileges;
- 2) Revocation of City credit card;
- 3) Demand for restitution to the City of Wildomar;
- 4) Reporting the expenses as income to the City employee to state and federal tax authorities;
- 5) Civil penalties up to the maximum allowable by law;
- 6) Prosecution for misuse of public resources; and
- 7) Other disciplinary measures as allowable under City Personnel Rules.