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| <b>Subject:</b> Expenses on City Business | <b>Number:</b> 1-4                                       |
|   | <b>Date Issued:</b><br><b>Date Revised:</b> June 1, 2003 |
| <b>Responsible Department:</b> Finance    | <b>Approved:</b>   |

## Policy

All employees shall use good judgment when incurring expenses to be paid by the City. City employees will be reimbursed for travel, conference and subsistence expenses incurred in connection with City business.

## Procedures

1. **Authorization:**
  - a. Authorization for reimbursement will be granted only for which a clear benefit to the City is apparent. Reimbursement for a spouse is not authorized.
  - b. Unless approved by the department director, no more than one City employee shall attend the same meeting or conference at City expense.
  - c. Unless specifically included in the adopted budget, all out-of-state travel must be approved by the department director.
  - d. City business outside the continental United States will be subject to prior approval by the Chief Administrative Officer.

All attendance at major conferences or meetings (including travel) that can be anticipated in advance of a given fiscal year should be included in the budget request. At the discretion of the department director, release time may be given for work-related meetings or conferences where an employee pays his/her own expenses. Whenever possible, City personnel whose participation is specifically requested by an outside organization shall make an effort to have that organization reimburse a portion or all of the expense involved.

Any exceptions to the above shall be approved in writing by the Chief Administrative Officer.

## Reimbursement

1. **No reimbursement shall be provided for travel or expenses until:**
  - a. Such travel or expenses have been authorized as set forth under "Policy" above, and Finance Form 57, "Travel Request and Claim for Reimbursement" has been properly prepared, approved, and submitted to the Finance Division; and
  - b. The travel evaluation section of Finance Form 57 has been completed.

Expenses paid by means of a City credit card must also be indicated on Form 57 for information purposes, but excluded from the amount to be reimbursed.

2. **Reimbursement shall be subject to the following provisions:**

a. **Transportation:**

- (1) **Private Automobile.** Reimbursement will be in accordance with Administrative Order 2-2.
- (2) **Travel Agent Services.** All travel services must be secured through the City's approved travel agent. Each division is authorized to make its own travel arrangements, provided funding is appropriated in the proper budget account. Travel services include air, rail and bus transportation, lodgings, and automobile rental.
- (3) Reimbursement will be authorized for the least expensive mode of transportation. Employees choosing a more expensive mode of transportation will be responsible for the additional cost.

b. **Lodging:**

- (1) **General Provisions.** Reimbursement will be made for the cost of lodging required to conduct City business. Dated receipts and meeting and travel schedules must be provided with the reimbursement request. Lodging will be provided for the night prior to the commencement of the meeting if the hour set for the start of the meeting is such that the claimant would have had to leave home prior to 6 a.m. Lodging may be provided following the meeting if the claimant could not have arrived at his/her home prior to 11 p.m.
- (2) **Rate of Reimbursement.** Lodging reimbursement shall be based on the single room rate charged at the headquarters hotel for the conference, or the hotel most proximate to the site of the meetings. If the hotel charges more than one rate for single accommodations, the employee shall be entitled to reimbursement for no more than the second least expensive rate. This policy does not preclude the employee from securing more expensive accommodations; it simply establishes the maximum reimbursement that will be afforded by the City. In the event that the employee occupies the room with family members or other non-authorized persons, the employee shall be reimbursed for the rate afforded for single occupancy. In the absence of such verification of the single rate, the employee shall be reimbursed at the current federal reimbursement rate.
- (3) **In-Lieu Payment.** If an employee stays with a friend or a relative while attending a professional conference or other out-of-town meeting, the employee may be reimbursed for taking his/her host to dinner in lieu of lodging cost. The total amount to be reimbursed shall not exceed the current federal per diem maximum lodging amount.

- (4) Savings Due to Extended Stay. Frequently, air fare costs can be significantly reduced when a traveler stays through a Saturday night on a trip and does not return until the following Sunday. In such an event, if the savings that can be accrued by staying one or two extra days is greater than the additional cost for hotel/motel accommodations, meals and other costs, employees are authorized to stay this additional time. An analysis or explanation of the cost savings should be submitted with the Form 57.

c. **Subsistence.**

The allowance for meals shall be calculated under either the per diem option or the actual cost option, as described below. However, the method selected for reimbursement must be used consistently on a full day basis (either all meals at per diem or all at actual cost).

**Per Diem Option.** This allowance for meals, including gratuity, shall not exceed the federal per diem in effect at the time the expense is incurred. There is no per-meal limitation. An employee may spend the allowance in any combination for meals, so long as the daily allowance is not exceeded. In the event that a meal is provided by a sponsor of a seminar, conference or otherwise provided, the \$42 allowance would be reduced by the following amounts:

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|-----------|--------------|
| Breakfast | \$ 9.00      |
| Lunch     | 14.00        |
| Dinner    | <u>19.00</u> |
|           | \$42.00      |

For example, if lunch is provided under the per diem option, \$14 would be deducted from the allowance leaving \$28 available to be allocated in any manner to breakfast or dinner.

**Actual Cost Option.** This allowance for meals shall be for the amount expended, not to exceed the \$48 limit. Receipts must be provided for meals in order for reimbursement to be provided. There is no meal limitation under this method as well.

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| Breakfast | \$11.00      |
| Lunch     | 15.00        |
| Dinner    | <u>22.00</u> |
|           | \$48.00      |

No allowances, under either option, shall be made for in-flight meals, meals included within registration fees (including "continental breakfasts") paid by the City, or meals otherwise provided by someone else. Breakfast is not subject to an allowance on the day of departure unless the trip starts prior to 7 a.m. Dinner is not subject to allowance on the day of return, unless the trip ends later than 8 p.m.

Individual reimbursement under the actual cost option may exceed the amounts indicated above if one of the following conditions exists:

- (1) A meal is a scheduled event on the program or conference and a receipt or other evidence is submitted to document the amount above the standard allowance.
- (2) There are extraordinary and unique circumstances. Such requests must be accompanied by an appropriate receipt, written justification, and be approved by the department director prior to submitting a reimbursement claim.

No reimbursement shall be paid for meals served during in-town meetings called by City staff unless it is necessary to schedule such meetings between 6 a.m. and 8 a.m., 12 noon and 1 p.m., or 5 p.m. and 7 p.m. However, reimbursement for meal expenses incurred in connection with City business (other than expenses incurred for travel, conferences, or meals served during in-town meetings called by City staff) shall only be made for meal expenses incurred in connection with City business at which the employee's attendance is necessary, and which must be scheduled before 7 a.m., between 12 noon and 1 p.m., or which ends after 8 p.m. The amount reimbursed shall not exceed the established standard per diem allowance.

- d. **Taxi, Limousine, and Bus Fares.** Reimbursement for travel between lodging, meals, and meeting sites will be allowed, but the employee shall attempt to obtain lodging and meals within walking distance of the meeting site, if this is the most economical alternative. Reimbursement will be provided for taxi, limousine, or bus fares when such transportation is necessary in the conduct of City business. Such expenses shall be itemized in detail on a Travel and Expense Reimbursement Request (Form 57).
- e. **Tips, Gratuities, and Service Fees.** Customary tips of up to 15 percent will be permitted on reimbursable items, except meal allowance. Tips shall be itemized on Form 57.
- f. **Registration Fees.** Fees charged for registration at a conference or meeting, which an employee is authorized to attend, are reimbursable. Receipts or other acceptable evidence of the amount of the fee shall be submitted with a Form 57. When possible, the employee shall make advance registration through normal requisition procedures, and indicate this on a Form 57.
- g. **Communications.** Telephone and FAX charges will be reimbursed only for official calls and communication. Toll calls charged against a City calling card should not be indicated on Form 57.
- h. **Parking, Garage, and Toll Charges.** Parking, garage, and toll expenses will be reimbursed when an automobile is used for transportation, except in the case of mileage allowances within the Fresno area. Receipts shall be obtained and filed.

- i. **Laundry and Dry Cleaning.** An allowance of \$2 per diem will be allowed for laundry and dry cleaning commencing the third day of a trip.
  - j. **Other.** Other expenses will be reimbursed provided that it can be shown that they were necessary for successful completion of the City's business, are itemized in detail on Form 57 and approved by the department director.
3. **Expenses that will not be reimbursed are as follows:**
  - a. No purchase of personal items or expenses for purely personal services shall be reimbursed. In addition, expenses for non-City employees, including consultants, are not reimbursable.
  - b. Form 57 must include only those expenses allowable for the employee. In addition to lodging expenses, other charges, which reflect costs related to family or other non-authorized persons, must be documented in such a way as to identify clearly that portion incurred by the employee, and only that portion will be reimbursed.
4. **General**
  - a. In a case where a receipt is called for but is impossible to obtain, a statement to that effect shall be attached to Form 57 and the reason given. In the absence of satisfactory explanation, the amount involved will be disallowed.
  - b. The Chief Administrative Officer and the Controller reserve the right to refuse payment for any item of expense if it appears unreasonable.
  - c. It is suggested that employees keep a chronological list of the cost of each meal and other necessary items of expense in the event that questions should arise regarding any of these items.
  - d. Travel cash advance for official City business may be authorized by the department director or his/her designee. Form 57 shall be submitted to the Finance Division to receive an advance of up to 75 percent of the anticipated travel expense. Upon the return from City business, the employee shall, within five working days, complete a Form 57 showing actual travel costs.
  - e. Exceptions to the provisions of this Administrative Order dealing with travel, conference and subsistence expenses may be authorized by the Chief Administrative Officer, if determined such exception is justifiable and in the best interests of the City.