

# City of Anderson Travel Policy

**Effective Date: November 1, 2011**

**Updated: January 1, 2017**

## I. PURPOSE

The purpose of this policy is to establish procedures for the approval of travel by City employees and elected officials for the purpose of conducting City business, the reimbursement of the cost of approved ordinary and necessary travel expenses, and meeting “accountable plan” requirements of the Internal Revenue Service. The “accountable plan” definition is as follows:

**Accountable Plans** - (Nontaxable to the employee) In order to qualify as an accountable plan, the reimbursement or allowance arrangement must require that the employees meet all **three** of the following rules:

1. There must be a business connection to the expenditure. This means that the expense must be a deductible business expense incurred in connection with services performed as an employee. If not reimbursed by the employer, the expense would be deductible by the employee on his/her 1040 income tax return.
2. There must be "adequate" accounting by the recipient within a reasonable period of time. This means that the employees must verify the date, time, place, amount and the business purpose of the expenses. Receipts are required unless the reimbursement is made under a per diem plan (meals only).
3. Excess reimbursements or advances must be returned within 10 business days. Reasonable depends upon facts and circumstances.

Amounts paid under an accountable plan are not wages and are not subject to income tax withholding and payment of social security, Medicare, and Federal Unemployment (FUTA) taxes.

The City is committed to managing travel costs while providing a reasonable balance between the needs of the City and the needs of the traveler. The policy of the City is to reimburse the employee/official traveling on authorized City business for all legitimate expenses occurred. The Division/Department Head is responsible for monitoring the need for the travel, the availability of budgeted funds and ensuring that the cost of travel to the City is reasonable.

All requests for travel reimbursements must be submitted by the employee to the Finance Division by the close of business on the 10<sup>th</sup> consecutive business day after the employee returns to work from travel, unless prior approval has been obtained to allow for more time.

Under no circumstances should a travel reimbursement be allowed to lapse for more than 20 consecutive business days after the employee returns from travel. The Travel Expense Report must be used for reimbursements and all appropriate information must be filled out and included with the form. The form must be accompanied by all documentation and receipts as required by this policy. That includes but is not limited to all receipts for all expenses (except food) as well as a certificate of attendance and any other documentation that may be required by the appropriate division head and/or the Finance Director.

## **II. EMPLOYEE RESPONSIBILITY**

All travel for which any employee seeks or will seek reimbursement must be pre-approved. Travel will be subject to budgetary constraints (to be evaluated by approving personnel).

An employee traveling on official City business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary, unjustified, or for the convenience or personal preference of the employee in the performance of official City business are not acceptable under this policy. Any personal expenses incurred during, before or after official City business are the responsibility of the employee. If the employee wishes to take a side trip before or after the official City business trip, then any expenses associated with these trips are the responsibility of the employee.

Employees will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience.

Any additional costs associated with an employee's traveling companion cannot be charged to the City and are the responsibility of the employee (i.e. spouses/guests traveling with City employees are responsible for paying their own individual expenses.)

Employees shall conduct themselves at all times in a manner that brings credit to the City. Employees shall not operate City owned vehicles if they have consumed alcohol, drugs, or any other intoxicant.

Employees attending seminars or training programs are required to fully attend all relevant portions of such seminars or training programs, as determined by the employee's Division/Department head. Attendance certificates received should be attached to the travel reimbursement request form.

### **III. TRAVEL PROCEDURES**

Documented approval for travel must be obtained before any travel expenses are incurred or committed to. Payment for travel expenses incurred or committed to prior to obtaining documented approval will be the sole financial responsibility of the employee if the travel request is denied. A signed "Travel Authorization Form" must be obtained prior to making any travel plans. See Attachment A.

#### **a. Lodging**

Each employee is responsible for his/her own request for reimbursement. It is the City's policy that actual, reasonable costs will be reimbursable for lodging expenses. The travel must involve a travel destination located at least 75 miles from the employee's regularly assigned job location or home, whichever is less, unless approved by City Manager's office. Hotels of moderate and reasonable comfort should be sought, rather than deluxe or luxury hotels. The employee should take advantage of any convention or negotiated rates. Each employee should use their best judgment in selecting a location and hotel to stay, recognizing that their health and safety are of paramount importance. The reimbursable lodging rate is limited to the available single room rate when the employee or official is traveling with his/her spouse and children. Employees will be reimbursed for the actual cost of their lodging costs plus taxes. A receipt must be obtained and submitted with the Travel Reimbursement Form in order to be reimbursed for lodging expenses.

All lodging must be preapproved. All requests for reimbursements for lodging must be accompanied by a receipt. This applies to cash or check reimbursements after travel as well as travel covered by a City purchasing card.

#### **b. Meals**

Each employee is responsible for his/her own request for reimbursement. A per diem expense allowance is used to cover the cost of meals, gratuities and other incidental expenses. Per diems do not require receipts, but do have a maximum rate for which the City provides for travel. The per diem rates are calculated from the U.S. General Services Administration (GSA) based on destination of travel.

Tips for meals are included in the meal allowance. The IRS reimbursement schedule clearly states that the amounts listed are for "Meals and Incidental expenses". Tips are considered "incidental expenses", therefore, no additional amount will be reimbursed to personnel for tips over and above the IRS rate. The costs of meals included in other related activities (registration fees, conference costs, hotel registration, etc.) may not be duplicated in reimbursement requests. If meals are covered for any day or if any meal is included as part of the registration or if any meal(s) are included with the training "at no additional cost", that meal is not reimbursable.

The meal and incidental expense per diem allowance will be prorated for partial days of travel or for a business meal paid by another party or included with a conference or training registration.

The City will not reimburse for meals during a single day of travel.

For travel with an overnight stay, employees and officials may receive allowances for meals for partial days of travel at the following percentages:

- Breakfast 20%
- Lunch 30%
- Dinner 50%

### **c. Transportation – Vehicle**

Each employee is responsible for his/her own request for reimbursement. Employees should make every effort to maximize the use of City vehicles for business travel. In cases where supervisors authorize employees to use their personal vehicles resulting from the employee's request for personal preference or for the convenience of the employee, and when a City vehicle is reasonably available, the reimbursement shall be made at half of the IRS' standard mileage rate in effect on that date. "Reasonably available" is defined as available for use and adequate to meet any special needs of the employee and the City in the given circumstances. If a City vehicle is not reasonable available, the travel may be reimbursed at 100% of the IRS' standard mileage rate in effect on that date.

All City vehicles will be used solely to conduct official business of the City. Official business is defined to be that which is necessary for an employee to perform his/her normal duties and responsibilities or additional duties and responsibilities assigned by the employee's immediate supervisor or department head. The use of City owned vehicles for private business or private use is strictly prohibited. Vehicles shall be operated within the limits of the law at all times. Accidents shall be reported immediately to the proper authorities.

Any driver of a vehicle owned by the City and any passenger therein shall be required to wear a seatbelt when riding in City vehicles. Smoking is also not allowed in City vehicles.

The City will not assume responsibility for traffic violations occurring during the operation of a City vehicle or privately owned vehicle or assume responsibility for traffic accidents occurring during the use of privately owned vehicles on City business.

The cost of operation, maintenance and ownership of a personal vehicle are the responsibility of the employee. The City is not authorized to reimburse an employee for repairs or other related costs incurred while traveling in their personal vehicle for official business of the City.

No reimbursement shall be made for the use of a personal vehicle in commuting from an employee's home to his/her primary job location.

The City encourages carpooling when 2 or more employees are attending the same meeting. If the employees chose not to carpool, they will be reimbursed at half of the IRS standard mileage rate.

#### **d. Transportation – Airline**

Each employee is responsible for his/her own request for reimbursement. There are no preferred vendor airlines for City travel. Airline reservations should be made with any common carrier in accordance with good purchasing procedures. Employees will be reimbursed for coach/non-refundable airfare only.

If the airline charges additional fees for checking baggage, employees will be reimbursed for up to a maximum of two (2) bags. Receipts are required for these charges. Charges for more than two bags will not be paid without a valid business reason. Employees are reminded that they are always obliged to seek out the most economical overall fare available and should be aware of additional fees that may be added to base fares on some airlines.

The City does not pay for cancellation or change fees for airfare unless there is a valid business reason for the change. Any additional charges for changing flight plans due to personal reasons or for the convenience of the employee will be borne by the employee.

A receipt for the airfare must be included with the reimbursement request. The receipt may be a printout of the email confirmation/itinerary, and must contain all of the following information: name of traveler; dates traveled; times of flights; destination for departure and arrival; class of travel (coach or economy); and fare paid. The receipt should clearly indicate that the ticket has already been paid for. All travel, including airline travel, must be preapproved. Any additional baggage should be included on the preapproval form as well as the reason. Employees can check various websites prior to making arrangements and use the lowest price in effect at that time as their documentation for preapproval.

Reimbursement for travel between the employee's primary job location and the nearest airline terminal (or train/bus station if applicable) and for appropriate parking may be made under the following circumstances. For travel by:

1. Taxi or airport shuttle – Actual costs with receipts
2. Personal vehicle – the IRS' standard mileage rate for a maximum of two round trips with no parking charge or for one round trip with parking charges. Receipts are required for airport parking claims.

Reimbursement for travel to and from the airline terminal at the employee's destination may be made where travel is via the most economical mode available as listed below:

1. Taxi or airport shuttle service – Actual costs with receipts
2. Rental Vehicles – may be used with the prior approval of the Division/Department head; however, rental vehicles may not be used for the sole convenience of the employee. A receipt is required.
3. Use of public transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts \$5 for each one-way trip from the airport to hotel/meeting or from the hotel/meeting to the airport.

#### **e. Registration Fees**

Each employee is responsible for his/her own request for reimbursement. The City allows reimbursement of the actual amount of registration fees for conferences, conventions, formal meetings, seminars and workshops as shown by a valid receipt or invoice. Banquets or special meal events that are offered as separate, optional functions for an additional charge are allowable expenses if they support the employee's business activities. Remember that alcohol is not a legitimate expense and will not be reimbursed. A copy of the conference agenda must accompany the preapproval form. The request for reimbursement must also include a copy of the conference agenda and training certificate. The certificate will prove attendance and successful completion of the training course.

#### **f. Penalties and Charges Resulting from Cancellations**

Penalties and charges resulting from the cancellation of travel reservations (including airline or hotel reservations and conference registration) shall be the department's obligation if the employee's travel has been approved in advance and the cancellation or change is made at the direction of and/or for the convenience of the department. If the cancellation or change is made for the personal benefit of the employee, it shall be the employee's obligation to pay the penalties and charges. However, in the event of accidents, serious illness, or death within the employee's immediate family or other critical circumstances beyond the control of the employee, the department may pay the penalties and charges.

#### **g. Purchasing Cards**

Whenever possible, the employee should use their City issued purchasing card for travel expenses, with the exception of food purchases.

#### **IV. REIMBURSEMENT PROCEDURES**

Each employee is responsible for his/her own request for reimbursement. A travel expense report (Attachment #2) should be submitted promptly after a single trip. Under no circumstances may an employee accumulate expenses for more than a single trip. The travel expense report should be submitted to the Finance department for reimbursement and include a copy of the Travel Authorization form with proper signatures, all original receipts for travel, copies of conference registrations and agenda.

Prior to reimbursement, the Finance department will determine that the travel reimbursement request has been properly approved, that it is mathematically correct, and that the requested reimbursements are supported and submitted receipts are within the limits set by this policy. If an error in the reimbursement request is found, the requesting party will be informed and the error must be corrected before payment is made.

#### **V. QUESTIONS**

Any questions regarding this policy should be directed to the employee's immediate supervisor or Finance department personnel.