

CITY OF HIGH POINT

AGENDA ITEM



Title: City Council Travel Policy

From: Eric Olmedo, Budget Director

Public Hearing: N/A

Attachments: Travel Policy

Meeting Date: June 18, 2018

Advertising Date: N/A

Advertised By: N/A

PURPOSE:

A travel policy is needed for the City Council to ensure consistent and appropriate procedures when the City Council travels on behalf of the City of High Point.

BACKGROUND:

The City Council adopted an interim City Council Travel Policy on March 5, 2018, with knowledge that a more comprehensive policy would be brought back to the Council for consideration.

The City Council has occasion to travel on behalf of the City of High Point to professional conferences, seminars, meetings, and training. City Council members are entitled to reimbursement of reasonable expenses associated with travel, meals, lodging and other actual and necessary expenses associated with attending such events. This policy will ensure consistent and appropriate policies for reimbursement of these expenses, and complies with Internal Revenue Service reimbursement standards.

BUDGET IMPACT:

n/a

RECOMMENDATION / ACTION REQUESTED:

The Budget Department recommends approval of the policy.

A. PURPOSE

The purpose of this policy is to establish procedures for authorization of travel and other expenses by city elected officials conducting City business, and to establish procedures for reimbursement of the cost of authorized travel and other expenses. This policy is based on standard business practices and takes into consideration what is considered reasonable and customary. We ask all Council Members use professional judgment when incurring expenses on behalf of the city. The City recognizes that, in some isolated cases, business related expenses might need to be reviewed on a case-by-case basis; however, this primarily applies if the expense in question was not discussed in this policy.

This policy is intended to be used by all City Council Members, and all approved expenses must be incurred must be in accordance with City Policy.

B. STATEMENT OF POLICY:

- Ensure all City Council members have a clear and consistent understanding of policies and procedures for business travel and expenses.
- Ensure City Council members are reimbursed for legitimate business travel expenses.
- Provide City Council members who must travel with a reasonable level of service and comfort at the lowest possible cost.
- Maximize the city's ability to negotiate discounted rates with preferred suppliers and reduce travel expenses.
- Provide the appropriate level of account and business controls for the company to ensure that expenses are reviewed and approved by the appropriate person.
- A City Purchasing card is the preferred method of payment for City Council members travel (excluding meals).
- Departments expending State and Federal grant funds for travel must consult with the granting agency policy or financial guides, or contact their grant liaison at the agency to determine what travel costs are allowable. Grant requirements are often more restrictive as to allowable costs than the City's travel policy. Grant expenses may not be more lenient than this policy.

a. Responsibility

The traveler is responsible for complying with the City Travel Policy. The city manager who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. The city will reimburse City Council members for all reasonable and necessary expenses while traveling on authorized city business. The city assumes no obligation to reimburse City Council members for expenses that are not in compliance with this policy.

b. Enforcement

City Council members who do not comply with this policy may be subject to delay or withholding of reimbursement.

C. REPORTING GUIDELINES

City Council members must file a travel settlement report no later than 10 days following the completion of the trip or of incurring the expense. Expenses must be submitted for reimbursement. The report should include all expenses associated with the travel, including and noting those fees and costs paid in advance or charged on a purchasing or travel card.

D. TRAVEL EXPENSES

Transportation

All necessary bus, train, and air transportation will be obtained at the most economical rate feasible. If there is some doubt as to the best method of travel, the matter should be discussed with the City Manager's Office. Utilizing a city issued Purchasing Card through the City Manager's Office administrative staff is the preferred method of payment for all travel related expenses. When use of a city Purchasing card is not practical, reimbursements will be made for actual costs incurred and supported by detailed receipt(s). The cost of travel to and from the normal job location of the requesting party and the point of departure/arrival is a reimbursable cost. This includes the cost of taxi service and parking fees.

a. Air/Rail Travel

Air travel reservations should be made by the City Manager's Office administrative staff, in order to secure the best available fare. Available resources include, but are not limited to: travel agents, online resources or directly with the airline. **ALL AIR TRAVEL MUST BE IN COACH CLASS.** The reservation should be made on a City Purchasing card whenever possible

When traveling by air:

- City Council members are expected to use the lowest logical airfare available.
- City Council members are expected to reserve as early as possible to take advantage of discounted pricing.
- Upgrades for air travel are not reimbursable. If a City Council Member wishes to upgrade, it is done at the City Council Member's expense.
- The City will reimburse the cost of checking only one bag each way unless the City Council members is required to take additional materials for the conference or meeting.
- When parking at an airport or train station is part of business travel, it is expected that City Council members will utilize Long Term parking lots.

b. Vehicle Travel

1. Personal Vehicle – When a City Council Member drives their personal vehicle in the scope of a travel event, then the City will reimburse the City Council Member within the following limitations:

- The use of a personal vehicle will normally be confined to destinations within the State or those in neighboring states where it is more advisable to travel by car because of expediency and destination accessibility.
- Personal vehicle mileage reimbursement for business travel outside of North Carolina may not exceed the cost of the lowest available commercial coach rate airfare to the travel destination.
- Mileage will be reimbursed at the current rate approved by the IRS. City Council members should measure their mileage to and from City Hall when traveling to any destination.
- City Council members must include a map printout with mileage reimbursements to show the number of miles.
- Full reimbursement of travel by personal vehicle is at the established IRS rate and paid to the vehicle owner. Reimbursement will be made on this mileage basis, unless it is more expensive than what it would cost to reach the same destination by air. The cost of coach class air travel is used for this comparison.
- Business related mileage may be reimbursed for business meetings when not in out-of-town travel status. This mileage must be documented for purpose, date, work location

departure address, and arrival address.

- If using Federal or State grant funds for travel, you must consult the grant travel guidelines. Certain grants require use of a GSA reduced mileage rate if a personal vehicle is used when a city vehicle is available. Please consult the GSA privately owned vehicle per diem weblink.
 - <https://www.gsa.gov/travel/plan-book/transportation-airfare-rates-pov-rates-etc/privately-owned-vehicle-pov-mileage-reimbursement-rates>

3. Rental Vehicle –

A rental automobile will be used when it is determined that no other mode of transportation is as economical or practical. A rental automobile should be used for business purposes only. A reasonable amount of personal use, such as driving to and from dinner, will be permitted. Use of a rental automobile must be approved in advance.

- Car rental expense, when authorized and necessary, incurred while on City business is reimbursed upon completion of the trip. Rental receipts must be submitted with the expense report for reimbursement.
- The use of a rental car for business use, which is not pre-approved before the trip, must be clearly justified on the final expense settlement.
- The car rental reservation should be made on a City Purchasing card through the City Manager's Office administrative staff whenever possible, if this is permitted by the rental car agency.
- The City has approved the use of mid-size or smaller cars. Larger cars should be used only when the number of people traveling dictates the need for a larger vehicle.
- Basic liability and collision insurance should be purchased on rental vehicles to protect the traveler and City in case of accidents. Such coverage is not included in the City's regular insurance coverage.
- Should a rental car accident occur, City Council members should immediately contact the rental Car Company, local authorities (as required), and the Human Resources Department Safety and Health Manager.

c. Local Transportation (Taxi, Car Service, Train)

- Local transportation costs incurred while on out-of-town business will be reimbursed.
- The most economical and reasonable form of transportation will be used.
- Receipts must be obtained and submitted with travel reimbursement requests.
- The maximum amount for a tip is 20% of the cost of the trip.

d. Lodging / Hotel

- Hotel reservations should be made in such a manner as to secure the best available rate.
- The reservation should be made on a City Purchasing card through the City Manager's Office administrative staff whenever possible

In case of cancellation:

- City Council members should contact the City Manager's Office administrative staff to cancel the reservation.
- City Council members will be held responsible and will not be reimbursed for "no-show"

charges unless there is sufficient proof that the billing is in error or circumstances were beyond the traveler's control.

- City Council members should request and record the cancellation number in case of billing disputes.
- City Council members should note that cancellation deadlines are based on the local time of the property.
- If using Federal or State grant funds for travel, you must consult the grant travel guidelines as there may be limits on the amount of hotel charges that are allowable. Grants cannot be charged no show fees regardless of reason.

e. Meals and Meal Reimbursement

The City's reimbursement rate for meals is now on a per diem basis, and will be paid the daily rates for meals for the area travelled to, as per the GSA's website: (<https://www.gsa.gov/travel/plan-book/per-diem-rates>). If a city is not listed, check to ensure that the county within which it is located is also not listed. Visit the National Association of Counties website at explorer.naco.org to determine the county a destination is located in. If the city is not listed, but the county is, then the per diem rate is the rate for that entire county. If the city and the county are not listed, then that area receives the standard rate. Note, when you search for any location, the Standard Rate will be displayed. This guide is only for travel within the continental United States. For travel rates outside the continental United States, contact the Finance Department prior to travel.

Meals provided by registration, conference, or by hotels (except continental breakfast) will be deducted from the daily per diem. Meals provided by another person will be deducted as well. A copy of the conference agenda or schedule that provides details of meals provided must be submitted with each travel settlement report.

Reimbursement for meals on travel days will be based on the departure and arrival times. On the day of departure, you must leave your home before 7:00 a.m. to be reimbursed for breakfast, 11:00 a.m. to be reimbursed for lunch, and 5:00 p.m. to be reimbursed for dinner. On the day of your return, you may be reimbursed for lunch if you return after 2:00 p.m. and you may be reimbursed for dinner if your return is after 7:00 p.m.

EXAMPLE:

You are traveling to Raleigh, NC for a three-day conference. Lunch is provided all three days. The following is the calculation for per diem for this travel:

The daily per diem rate for Raleigh (Wake County), NC is currently \$59.00 per day per the GSA reimbursement rate. The daily lunch portion of the per diem is \$15.00.

- *If you departed on the first day of travel at 9:00 a.m., the daily per diem of \$59.00 will be reduced by \$13.00 (since the time left is after 7:00 a.m.) and further reduced by \$15.00 (since lunch is provided by the conference). The first day travel per diem will be \$31.00.*
- *The per diem for the second day of travel will be \$59.00 minus \$15.00 for lunch, or \$44.00.*
- *You return at 8:00 p.m. on the third day of travel. The per diem for the third day of travel of \$59.00 will be reduced by the \$15 lunch allowance, making the third days per diem \$44.00.*
- *The total per diem for this trip would be \$31.00 plus \$44.00 plus \$44.00, for a total of \$119.00.*
- *Even if all meals are provided, the \$5.00 incidental allowance will always be paid each day, and is included in the above calculations.*

If using Federal or State grant funds for travel, please consult the grant guidelines. Some grants do not allow per-diem. In those cases, the traveler may use the receipts method. However, the amount spent should not exceed the equivalent per-diem. A detailed receipt must be submitted for reimbursement.

Commuting meals:

Meals purchased when commuting to and from a course or conference (without an overnight stay) are considered commuting meals. Reimbursement for commuting meals will be based on a detailed receipt to be submitted with the travel settlement form; however, actual cost must not be greater than the per-diem individual meal rate for the applicable location (including the tip). Tips will be reimbursed at an amount not greater than 20%. You must leave your home before 7:00 a.m. to be reimbursed for breakfast or 11:00 a.m. to be reimbursed for lunch; you may be reimbursed for dinner if your return is after 7:00 p.m.

When attending a business meeting or convention that is job specific, and held by certain exempt organizations, meal reimbursements are excludable from wages. These organizations include chambers of commerce, business leagues and trade or professional associations. In compliance with IRS regulations, other commuting meal reimbursements are taxable. Accounts Payable will review reimbursements for taxability. Non-taxable reimbursements will be reimbursed to the City Council member via Accounts Payable, while reimbursements that are taxable to the City Council member will be reimbursed via monthly Payroll.

Per Diem Guidelines:

- For travel less than one week, per diem costs will be reimbursed after the travel is completed.
- For travel that lasts more than one week, or in cases when the costs of travel would create a financial hardship for the City Council member, the City Manager can approve a travel advance on behalf of the travelling City Council member.
- The travel advance must be submitted at least ten (10) business days before the day of departure, and must be for \$100.00 or more.

E. DOCUMENTATION REQUIREMENTS

City Council members must submit the following documentation in order to be reimbursed for business related expenses with their Travel Settlement Form:

- Air/Rail – original passenger receipt.
- Baggage fee receipt(s) if not prepaid on Purchasing Card.
- Hotel – hotel receipt plus credit card receipt or other proof of payment.
- Car Rental – credit card receipt and rental agency invoice.
- Local Transportation (taxi, Uber, subway, etc...) – receipts
- Detailed conference agenda
- Printout of map directions for mileage justification
- Business Meals – Credit card receipt and detailed register receipts for meal expenses are required (for City Manager only).
- Expense reports containing entries that cannot easily be supported by receipts will be returned to the person submitting the expense report for correction.

F. INCORRECT OR INCOMPLETE EXPENSES

Expense reports that are incorrect, incomplete or include disorganized receipts:

- Will be returned to the requestor for completion.
- May result in delay or non-reimbursement of specific items

G. NON-REIMBURSABLE EXPENSES

In order to be reimbursed, an expense has to be necessary and appropriate. In general, any expense that is personal in nature is not allowed. The list below is an example of unallowable expenses; travelers are expected to be prudent and show good judgment when expending city funds. The following it is not intended to be all inclusive but rather a representation of UNALLOWABLE cost:

- First class airfares
- Expenses for travel incurred by spouses, domestic partners or family members
- Expenses for personal entertainment
- Expenses related to vacation or personal days while on a business trip
- Airline club fees/memberships
- Alcohol beverages
- Child care or pet care expenses
- Avoidable "No-Show" charges for hotel or car service
- Newspapers, magazines, books (unless authorized subscription to professional journal)
- Personal grooming costs
- Traffic fines while driving personal or rental vehicles
- Rental car upgrades such as satellite radio, GPS services
- Repairs due to vehicle accidents
- Hotel telephone charges and cable entertainment/mini bar charges
- Delinquency fees / Financial Services charges for personal credit cards
- Loss / Theft of personal funds or property / Lost baggage
- Travel Insurance

H. APPROVAL / AUTHORIZATION PROCESS

The City Council Members Travel Settlement Form must be approved by the City Manager or designee. The City Manager is responsible for verifying:

- Business purpose
- Correct totals
- Supporting documentation and receipts
- Policy compliance

Disregard for the city's travel policy or altering of receipts can result in disciplinary. A requesting party submitting a falsified reimbursement form will be subject to disciplinary action. An authorizing party or Finance Officer who approves a falsified reimbursement form that they know to be false will be subject to disciplinary action.