

Reimbursement for Expenses Incurred in Conduct of City Business

Purpose

To establish policy and procedure related to travel and reimbursement for eligible expenses incurred in conduct of City business, including Advance Travel funds.

Policy

It is the policy of the City of Lacey to reimburse City elected and appointed officials, employees, and members of boards and commissions for reasonable expenses incurred in the conduct of their business for the City. Eligible meal reimbursements shall be made for on a per diem basis (see below for eligible meal reimbursements). All other eligible expenses, including lodging and mileage, shall be reimbursed on an actual expense basis. Reimbursement for necessary and reasonable expenses will be made by application and in compliance with this policy and Chapter 42.24, Revised Code of Washington. All persons are to use good judgment and discretion limiting expenses with the best interests of the City foremost in mind. Excessive or unnecessary expenses will not be approved or reimbursed. It is expressly prohibited to use City travel funds for personal purposes.

Payment in advance of travel expenses may be made subject to and in compliance with Chapter 2.58, Lacey Municipal Code, Advance Travel Fund. An advance for approved anticipated travel expenses will not be paid when total estimated expenditures are less than \$50.00.

Any travel time in excess of one day each way, which is brought about by the employee's choice of transportation or schedule, will be charged to the employee as vacation time. When travel is required of employees covered by FLSA standards, travel time may be considered as time worked depending on the time and day of travel. Paid time for travel shall be clearly resolved in accordance with FLSA guidelines in advance of authorizing travel. Check with Human Resources Department for more information.

Procedure

Authorization to Travel

Travel by members of the City Council, City Manager, City employees, and board and commission members shall be specifically provided for in an adopted budget and as provided below:

1. Specific travel expenditures and trip authorization will be approved, **in advance**, in a manner provided for on the **Advance Travel Request** form available on the N: drive in the City's Common Area (see Attachment B for instructions).
2. Unanticipated or emergency travel, initiated during non-business hours, may be authorized provided such approval is received as noted on the **Advance Travel Request** form. If required, the City's credit card may be obtained by contacting one of the following: the Finance Director, Financial Services Manager, Accounting Manager, Senior Accounting Services Specialist, Senior Accountant, Accounts Payable Clerk, or the City Manager.

Eligible Travel Expenditures

Generally, eligible expenditures include travel and living costs incurred while away from the City as well as expenses incurred within the City necessitated by City business. In the Thurston County area, necessary expenses will be reimbursed only for persons representing the City in his/her official capacity and in the discharge of his/her duties.

1. **Registration** - Actual cost of registration, tuition and fees at a meeting, conference, training, or convention for which he/she has received approval. Registration should be prepaid, and whenever possible, paid through the regular accounts payable process of the Finance Department. If it is not possible to prepay registration fees, receipts must be submitted for reimbursement.
2. **Transportation** - Actual costs for bus travel, train travel, air travel, taxi, tolls, car rentals, and parking fees will be reimbursed provided all air travel shall be on a common carrier and at the most economical class. Payment for air travel shall be at the actual cost from Olympia or SeaTac Airports to destination and return. Travel arrangements will be made in coordination with the Finance Department.
 - A. If personal travel is combined with business travel, (or in the case of members of the City Council where they are combining their employer and City travel) thereby qualifying and obtaining a discounted air fare rate, the discount will be prorated between the business and personal portion of the trip.

- B. Persons using a personally owned vehicle to travel out of Thurston County on City business will be reimbursed at the rate published by the IRS as the cost per mile allowance provided a City vehicle is not available and provided payment will not exceed the least cost air fare to and from the same destination. If a City owned vehicle is available for use and the person still elects to use private transportation, mileage will be reimbursed at 50% of the IRS published allowance rate.
 - C. If two or more persons are attending the same out-of-town meeting and one of them is driving a City vehicle and the second person chooses to drive his/her personally owned vehicle, no mileage reimbursement will be made to the person who elects to drive a personally owned vehicle. If no City vehicle is to be used, and two or more persons choose to drive their own vehicles, only one mileage reimbursement (based on "b." above) will be paid by the City.
 - D. No mileage reimbursement will be made for casual or occasional use of a personal vehicle within the Thurston County area.
 - E. When the length of travel warrants, persons using a City vehicle will secure a gasoline credit card from the Finance Department for the purchase of gasoline, oil, emergency repairs, etc. City owned credit cards are only for use with City vehicles.
 - F. Mileage reimbursement will be paid for one round trip to SeaTac Airport when using a personal vehicle. Parking at SeaTac (Port of Seattle) parking lots is limited to a maximum of twelve (12) hours. Long term parking expenses will be reimbursed when "off-airport" (non Port of Seattle) parking lots and shuttle services are used (e.g., Budget).
 - G. The City may arrange for public transportation to minimize salary expenses for travel time.
3. **Rental Vehicles** - Under most circumstances, adequate ground transportation and shuttle services are available to and from the airport at the point of destination. Every effort should be made to use alternate forms of transportation before renting a vehicle. If there are no acceptable alternatives, the City has contracted for car rental services so that a person will not have to secure

the rental with their own credit card or cash. Contact the Finance Department for arrangements and procedures.

A. Liability coverage (through W.C.I.A.) is in effect when persons operate rental vehicles when in the course of City business. W.C.I.A. also provides property coverage on a rental vehicle while the vehicle is in your "care and custody."

B. The City will not be responsible for the loss of personal items taken from a rental vehicle.

4. **Lodging** - Overnight lodging will only be reimbursed for travel which exceeds 60 miles (one way) from the employees work location; provided exceptions may be authorized for a continuous workshop. Actual cost of hotel/motel accommodations will be reimbursed. If a family member or guest accompanies the person, the person shall submit and be reimbursed for the amount of a single accommodation. The single accommodation rate must be noted on the hotel/motel bill submitted as documentation of the expense. Lodging arrangements requiring a deposit or credit card number to secure reservations will need to be coordinated through the Finance Department.

A. Persons are to ascertain the availability of and request special government rates.

B. Conference announcements usually provide information regarding lodging and its cost. Frequently, only the cost of a double accommodation is shown - possibly because it is the same as the single room rate. Unless specifically disclosed in the announcement, the single occupancy rate must be confirmed.

5. **Meals** - Per Diem will be provided in accordance with the U.S. General Services Travel Regulations for authorized travel outside of the Thurston County metropolitan area, and if travel includes an overnight stay. See the Finance Travel Per Diem spreadsheet, found on the N: drive in the City's Common Area, for the appropriate per diem meal rate which is based upon the destination traveled to. Meals (excluding continental breakfasts) that are included in a convention, seminar, or other registration fees are not eligible travel expenses. Per Diem reimbursement rates are adjusted annually.

Generally, there is no meal reimbursement for meals eaten **within** the metropolitan Thurston County, Olympia, Lacey, and Tumwater area. Except, meals are reimbursed by the City if:

- A. The meal is included in the cost of registration for a training class or conference. (Meals not included are at the employee's expense, or the employee may bring his/her lunch to the training session.)
 - B. An employee is assigned by his/her Director, in the Director's absence, to attend a non-regularly scheduled business breakfast, lunch, or dinner regarding regional/city issues.
 - C. The circumstances are within the spirit of this policy and approved by the City Manager. Should an unusual or extenuating circumstance arise, where a Director believes a meal should be reimbursed which would otherwise not be under this policy, he/she may make application to the City Manager for prior approval for reimbursement.
 - D. To avoid the appearance of a conflict of interest, employees should not allow consultants, vendors, or others with official business with the City to pay for or furnish meals or beverages. For examples of Meal Expense Reimbursement, see Attachment A.
6. **Laundry and Valet Services** - Actual cost of laundry and/or valet service are allowable expenses when City representatives are required to be away from the City for more than four days at one time or the conditions under which they are required to work while away from the City creates a more than normal need for such services.
7. **Telephone and Fax** - Charges for telephone and fax are eligible for reimbursement if City business requires such communication. All long distance calls submitted for reimbursement will be itemized on expense reports showing the location and purpose of call. Under most circumstances, calls should be made using SCAN and SCAN long distance services. SCAN user ID cards are available from the Finance Department.

Ineligible Expenses

None of the following expenses will be paid by the City:

- 1. Travel paid for by any other organization;

2. Alcoholic beverages (including liquor, beer and wine);
3. Valet services (except as provided above);
4. Lodging accommodations, meals or other expenses for family or guests;
5. Fees for sightseeing tours, activities ancillary to the purpose for travel, conference or seminar, and expenditures for entertainment;
6. Personal telephone calls;
7. Mileage when traveling as a passenger in a privately owned car; and,
8. Trip insurance or any other expenditure for personal purposes.

Documentation of Expenses

Meal expenses are reimbursed on a per diem basis and do not require receipts for reimbursement. All other eligible actual expenses incurred in the conduct of business in behalf of the City shall be submitted for reimbursement to the Finance Department and shall be documented with receipts and/or travel vouchers. The **Travel Expense Voucher** form (see Attachment B for location of forms in Lacey's Common Area) has a section for reporting actual expenses. All receipts and travel vouchers are to be attached to this form as documentation of Advance Travel funds used and/or as support for reimbursement requests.

1. When lodging accommodations are shared between two or more persons, lodging expenses may be submitted by the person paying the bill. All non-lodging charges reflected on such statement which are claimed for reimbursement must be supported by expense vouchers of the individual incurring the charges (excluding meal charges as meal expenses are reimbursed on a per diem basis).
2. Travel reimbursement requests and reconciliation of Advance Travel funds must be returned to the Finance Department within ten (10) days of returning to the City. State law requires an interest penalty for delinquent reports.
3. Claim for reimbursement of any charge which could reasonably raise question should be accompanied by an explanation. Failure to provide adequate documentation (receipts) or explanation for all

expenses claimed for reimbursement could result in the employee being personally responsible for the charges.

Approvals

Authorization for travel and expense reimbursement under this policy must be signed, approved, and filed with the Finance Department on the form(s) provided by that office.

Ongoing approval responsibility for specific travel and the reimbursement for expenditures shall be made as follows:

1. For members of the City Council - approval will be made by the Mayor.
2. For the Mayor - approval will be made by the Deputy Mayor.
3. For members of City Boards and Commissions - approval will be made by the City Manager.
4. For the City Manager - approval will be made by the Mayor.
5. For Department Directors - approval will be made by the City Manager.
6. For all other employees - approval will be made by the direct supervisor and/or Department Director.

Attachment A
MEAL EXPENSE REIMBURSEMENT

Examples:	<u>Who Should Pay For Employee?</u> ¹
1) Consultant invites City Manager to lunch.....	City Manager
2) Consultant invites Department Director to lunch.....	Dept. Director
3) City Manager meets <u>regularly</u> with regional City Managers for breakfast, lunch or dinner	City Manager
4) Department Director meets <u>regularly</u> with regional Counterpart Director for any meal	Dept. Director
5) Employee meets <u>regularly</u> with regional Counterpart for for any meal	Employee
6) Employee is <u>assigned</u> by Director to a non-regularly scheduled breakfast or lunch meeting on regional/city issues	City
7) Councilmember <u>asks</u> to meet over lunch to informally discuss..... regional/city issues.....	Councilmember and employee
8) City Manager or Director <u>asks</u> Councilmember to meet over lunch to informally discuss regional/city issues.....	City Manager , Dept. Director, Councilmember
9) Council has a <u>non-regular</u> , early worksession at 5:30 pm, prior to 7:00 pm council meeting and dinner is brought in.....	City
10) Council has an <u>extraordinary</u> , <u>special</u> breakfast meeting or lunch meeting with visitors to discuss regional/city issues.....	City
11) Council has a <u>regularly</u> scheduled early morning committee meeting and breakfast is ordered.....	Councilmembers
12) An intergovernmental agency (e.g. LOTT, TRPC) calls a <u>special meeting</u> to discuss regional issues	City
13) An employee attends training at South Puget Sound Community College and lunch is not included in the registration fee	Employee
14) An employee attends <u>one day training, pre-approved, at the University of Washington</u> and lunch is not included in the registration fee	Employee
15) An employee attends training out of town which includes an overnight stay and a meal is not included in the registration fee	City
16) Department Director asks employee to fill-in for him/her at a breakfast, lunch or dinner meeting.....	City
17) An employee is required to work through lunch or take a shortened lunch due to emergency or special project (must be approved)	City
18) An employee attends a business meeting on behalf of the City during breakfast, lunch or dinner	City

¹In the examples provided above, the employee and/or the City should not pay for the lunch of other non-city employees, consultants, councilmembers, etc. To avoid the appearance of a conflict of interest, employees should not allow consultants, vendors, or others doing business with the City to “pick-up” the meal tab.

Attachment B

To locate all forms mention in this policy and the Per Diem Rates, follow these instructions.

On your computer's desktop you have an icon labeled Department Drives; double click on this icon. You will see a number of folders, look for the folder labeled "City of Lacey Common Area"; double click on this folder. Find the "Templates" folder; double click on this folder. Go to the "Lacey Common" folder and double click to open. Here you will find the **Advance Travel Request** form with tabs to the Per Diem Rates and instructions. You will also find the **Travel Expense Voucher** form.

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