

ADMINISTRATIVE ORDER NUMBER 1-4

SUBJECT: Expenses on City Business

Responsible Department: Finance

Date Issued: June 1, 2003

Date Revised: August 22, 2017

Approved: *(Signature on File)*

Purpose

To establish uniform standards and procedures for reimbursement of expenses incurred on City business.

Policy

All City employees and elected officials shall use good judgment when incurring expenses to be paid by the City. City employees and elected officials will be reimbursed for travel, conference, and subsistence expenses incurred in connection with City business. Individuals from other organizations whose services are requested to assist City staff on interview panels shall also be eligible for expense reimbursement under the provisions of this Administrative Order.

City employees and elected officials who travel on City business shall do so at the City's expense and not at the expense of a third party. The City has uniform standards and procedures for the attendance at conferences and meetings by City employees and elected officials.

City employees and elected officials traveling on City business may obtain a cash travel advance under certain circumstances. When possible, employees and elected officials shall use the Statewide Travel Program when booking flights to go to destinations on 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 or designee, no more than one City employee per department 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 or designee.

- D. City business outside the continental United States will be subject to prior approval by the City Manager or designee.

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 the outside organization shall make an effort to have that organization reimburse to the City a portion or all of the expense involved.

Any exceptions to the above shall be approved in writing by the City Manager or designee.

2. Travel at City Expense

Employees who travel on City business, including travel for the purposes of reviewing other agencies' practices, procedures, or development projects, shall do so at City expense. Employees shall not travel on City business at the expense of developers, consultants, or providers of goods and services.

3. Attendance at Conferences and Meetings of Professional Organizations

- A. Employees of the City of Fresno may attend conferences, conventions, and meetings of governmental employees when the Department Director determines:
- i. It can be shown that attendance is of public benefit; and
 - ii. The absence of the employee will not adversely affect City operations; and
 - iii. There are sufficient funds in training and travel accounts.
- B. Employees attending such conferences will be selected by the Department Director.

4. Use of Statewide Travel Program

- A. The City Controller is designated as the responsible party for the City of Fresno's American Express Business Travel Account (BTA). The BTA is used in conjunction with participation by the City of Fresno in the Statewide Travel Program. The Controller's role is to ensure accounting, monitoring, and general oversight of compliance to this policy.
- B. Travel arrangements made through the Statewide Travel Program can only be made for travel on official City business for the City of Fresno.

- C. An authorized Travel Arrangers Form must be completed and on file with the Finance Department and the City of Fresno's Travel Administrator before using the Statewide Travel Program. The form lists individuals authorized to make travel arrangements for a department/division. The signature and name of the individuals authorized to approve travel for a department will also be listed on the form.
- D. To obtain the Statewide Travel Program discounted fare, all advanced travel arrangements must be made through the CalTravel Store. Travelers can make reservations through the CalTravel Store at www.caltravelstore.com or by calling 1-916-376-3989.
- E. Discounted airfares under this program are for existing authorized travel related to City business for City employees only.
- F. Once the air travel reservations are made, authorized staff (listed on the Authorized Travel Arrangers Form) will complete a Request for Air Travel form for each employee requesting a reservation. A copy of the Request for Air Travel form must be submitted to Accounts Payable. Accounts Payable and the CalTravel Store must be notified by the department who made the travel arrangements of any changes or cancellations to the travel.
- G. The Finance Department will follow existing established Accounts Payable internal control procedures for approval, documentation, and payment of airfare travel charges.
- H. Unauthorized use of this program will result in disciplinary measure to the fullest extent of the Fresno Municipal Code, labor contracts, and law.
- I. Employees using this program are responsible for complying with all the rest of the provisions of this Administrative Order, and any other Administrative Order pertaining to travel, as well as guidelines spelled out in the Statewide Travel Program Reference Sheet.
- J. Payments for air travel will be made by voucher payable to American Express originating in the Finance Department on a monthly basis.

5. Cash Travel Advance

- A. City employees and elected officials, when traveling on City business, are encouraged to utilize their personal credit cards and/or cash for all expenses, and then to request reimbursement for such expenses. However, in circumstances where use of such credit cards and/or cash is deemed impractical, it shall be possible for an employee to obtain an advance of City funds for travel expenses.

To request a cash advance, a Travel and Expense Reimbursement Request form shall be prepared in proper form with all required signatures for an amount not to exceed 75-percent of the anticipated travel expenses. The name of the employee or elected official traveling, the destination, and the inclusive dates of travel must be included.

- B. Cash advances for travel are authorized for official City business, provided that the budgeted request is approved by the Department Director and the City Controller.
- C. After returning from travel on City business for which advance of City funds has been issued, the employee or elected official must submit all unexpended cash from the advance, along with the completed Travel and Expense Reimbursement Request form, to the Finance Department within ten (10) working days.

6. Reimbursement

A. **No reimbursement shall be provided for travel or expenses until:**

- i. Such travel or expenses have been authorized as set forth under the Policy above, and Finance Form 57 "Travel Request and Claim for Reimbursement" has been properly prepared, approved, and submitted to the Finance Division.
 - ii. Each department submitting a Form 57 is responsible for verifying the correct and appropriate per diem rate for the locality in which the business is being conducted. The per diem rates, as established by the U.S. General Services Administration (GSA), can be found on the GSA website at www.gsa.gov/perdiem. Care should be taken in selecting the correct rate. Departments are responsible for attaching a copy of the page from the GSA website used to calculate the reimbursement to each Form 57 submitted for reimbursement. **If no documentation is attached it will be assumed that the reimbursement being requested is at the maximum rate allowed for the Fresno area.**
 - iii. Expenses paid by means of a City credit card must also be indicated on the Form 57 for informational purposes, but excluded from the amount to be reimbursed.
- B. In all cases, the criteria for selecting the mode of transportation should be whatever is the greatest convenience to the City at the least expense. Employees or elected officials sharing hotel rooms should request individual bills so that each can report his/her own expenses. If an employee's or elected official's spouse shares his/her room, he/she should indicate the single room rate for reimbursement.

- C. Travel and Expense Reimbursement Request forms should be submitted to Finance within ten (10) days after return from traveling on City business. A receipt must be obtained for all single expenditures that exceed \$25 and be submitted along with other receipts to substantiate expense reports.
- D. The Travel and Expense Reimbursement Request form must be signed by the employee or elected official and approved by the Department Director or other authorized person(s).
- E. Once the completed Travel and Expense Reimbursement Request form is submitted to the Finance Department, a check may be issued to the requesting employee or elected official, written against the City account established for this purpose.

F. Reimbursement shall be subject to the following provisions:

i. Transportation:

- a) **Private Automobile.** Reimbursement will be in accordance with Administrative Order 2-2.
- b) **Travel Agent Services.** If a travel agent is needed to make travel arrangements, the City's approved travel agent must be used. 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.
- c) 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.

ii. Lodging:

- a) **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 to leave home prior to 6:00am. Lodging may be provided following the meeting if the claimant could not have arrived at his/her home prior to 11:00pm.
- b) **Rate of Reimbursement.** Lodging reimbursement shall depend on the type of accommodation reserved.

- i) If the lodging is associated with the conference and the City employee or elected official is staying at the hotel designated as the conference headquarters hotel, the reimbursement rate shall be based on the single room rate charged at the headquarters hotel for the conference. If the conference hotel charges more than one rate for single accommodations, the employee or elected official shall be entitled to reimbursement for no more than the second least expensive rate.
- ii) If lodging is associated with a conference and is obtained at a hotel other than the conference hotel, the employee or elected official shall be entitled to reimbursement at a rate no higher than the current per diem rate in effect at the time the expense is incurred at the locality where incurred, as established by the GSA.
- iii) If lodging is not associated with a conference, but is associated with City business, then the employee or elected official shall be entitled to a reimbursement rate equal to the current per diem rate in effect at the time the expense is incurred, at the locality where incurred, as established by the GSA.

If lodging cannot be found at a rate equal to or lower than the GSA per diem rate, then the employee or elected official will need to attest to why they were unable to find lodging at the established rate on the Form 57. Once such an attestation is made, the employee will be reimbursed at the single room rate for the accommodation.

- iv) This policy does not preclude the employee or elected official from securing more expensive accommodations; rather it establishes the maximum reimbursement that will be afforded by the City. In the event that the employee or elected official occupies the room with family members or other non-authorized persons, the employee or elected official shall be reimbursed at the rate for single occupancy.
- c) **In-Lieu Payment.** If an employee or elected official stays with a friend or a relative while attending a professional conference or other out-of-town meeting, the employee or

elected official 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 published per diem maximum lodging amount established by the GSA in the locality where the event is taking place.

- d) **Savings Due to Extended Stay.** Frequently, airfare 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 and elected officials are authorized to stay this additional time. An analysis or explanation of the cost savings should be submitted with the Form 57.

iii. **Subsistence:**

No reimbursement shall be paid for meals served during in-town meetings scheduled by City staff unless it is necessary to schedule such meetings between 6:00am and 8:00am, 12:00pm and 1:00pm, or 5:00pm and 7:00pm.

Reimbursement for meal expenses incurred in connection with City business (other than expenses incurred for travel, conferences, or meals served during in-town meetings scheduled by City staff) shall only be made for meal expenses incurred in connection with City business for which the employee's or elected official's attendance is necessary, and which must be scheduled before 7:00am, between 12:00pm and 1:00pm, or which ends after 8:00pm. The amount reimbursed shall not exceed the per diem allowance established by the GSA for Fresno.

Options for Reimbursement

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).

No allowances under either option will be made for in-flight meals, meals included within registration fees (i.e. continental breakfasts) paid by the City, or meals otherwise provided by someone else. Breakfast is not reimbursable or subject to the allowance on the day of departure unless the trip starts prior to 7:00am. Dinner is not

reimbursable or subject to allowance on the day of return unless the trip ends later than 8:00pm.

Per Diem Option. This allowance for meals, including gratuity, shall not exceed the rate established by the GSA at the time the expense is incurred. The GSA website provides the per diem rates for Meals and Incidental Expenses (M&IE) and identifies six location-specific per diem tiers for the lower 48 continental United States, with separate rates for breakfast, lunch, and dinner. If an employee or elected official elects to use the per diem option for meals, the allowance will be paid at the tier designated for the location to which they are traveling on City business.

If an employee or elected official is attending a conference or meeting where a meal is provided, no per diem rate will be paid for that meal. For example, if a conference includes a lunch, the employee or elected official will not be reimbursed for lunch for that day, and cannot include it on the Form 57.

The total per diem rates for M&IE are calculated at 75-percent on the first and last calendar day of travel.

Actual Cost Option. This allowance for meals is the amount actually expended by an employee or elected official for meals while on City business and shall not exceed the maximum daily rate established by the GSA at the time the expense is incurred and at the locality where incurred. Receipts must be provided for meals for reimbursement.

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

- i) A meal is a scheduled event on the program or conference and a receipt or other evidence is submitted to document to amount above the standard allowance.
 - ii) 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.
- iv. **Taxi, Limousine, and Bus Fares.** Reimbursement for travel between lodging, meals, and meeting sites will be allowed, but the

employee or elected official 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 the Form 57.

- v. **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 the Form 57.
- vi. **Registration Fees.** Fees charged for registration at a conference or meeting, which an employee or elected official 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 or elected official shall make advance registration and indicate this on a Form 57.
- vii. **Communications.** Telephone and facsimile charges will be reimbursed only for official calls and communication. Toll calls charged against a City calling card should not be included on a Form 57.
- viii. **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.
- ix. **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.
- x. **Other.** Other expenses will be reimbursed, provided that it can be demonstrated that were necessary for successful completion of the City's business, are itemized in detail on a Form 57, and approved by the Department Director.

G. Expenses that will not be reimbursed are as follows:

- i. No purchase of personal items or expenses for purely personal services or alcoholic beverages shall be reimbursed. In addition, expenses for non-City employees, including consultants, are not reimbursable, with the exception of individuals from other organizations whose services are requested to assist City staff on interview panels.

- ii. A Form 57 must include only those expenses allowable for the employee or elected official. 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 or elected official, and only that portion will be reimbursed.

H. General

- i. In a case where a receipt is called for but is impossible to obtain, a statement to that effect shall be attached to the Form 57 and the reason provided. In the absence of satisfactory explanation, the amount involved will be disallowed.
- ii. The City Manager or designee and the Controller reserve the right to refuse payment for any item of expense if it appears unreasonable.
- iii. It is suggested that employees and elected officials maintain 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.
- iv. Exceptions to the provisions of this Administrative Order with regard to travel, conference, and subsistence expenses may be authorized by the City Manager or designee if determined such exception is justifiable and in the best interest of the City.