

CITY OF LAKEPORT

ADMINISTRATIVE POLICY Expense And Use Of Public Resources

Adopted May 2, 2006

Amended April 6, 2010

Amended February 15, 2011

Findings

Whereas, the City of Lakeport takes its stewardship over the use of its limited public resources seriously; and

Whereas, public resources should only be used when there is a substantial benefit to the City of Lakeport; and

Whereas, such benefits include:

1. The opportunity to discuss the community's concerns with state and federal officials;
2. Participating in regional, state and national organizations whose activities affect the City of Lakeport.
3. Attending educational seminars designed to improve officials' skill and information levels; and
4. Promoting public service and morale by recognizing such service; and

Whereas, 1) legislative and other regional, state and federal agency business is frequently conducted over meals; 2) sharing a meal with regional, state and federal officials is frequently the best opportunity for a more extensive, focused and uninterrupted communication about the City of Lakeport's policy concerns; and 3) each meal expenditure must comply with the limits and reporting requirements of local, state and federal law; and

Whereas, this policy provides guidance to elected and appointed officials on the use and expenditure of City of Lakeport resources, as well as the standards against which those expenditures will be measured; and

Whereas, this policy satisfies the requirements of *Government Code* Sections 53232.2 and 53233.3; and

Whereas, this policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources; and

Whereas, this policy also supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws; and

Whereas, this policy also applies to any charges made to a city's credit card, cash advances or other line of credit.

Authorized Expenses

City of Lakeport funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized City of Lakeport business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on the City of Lakeport's adopted policy positions;
2. Attending educational seminars designed to improve officials' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the City of Lakeport's interests;
4. Recognizing service to the City of Lakeport (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost);
5. Attending City of Lakeport events;
6. Implementing a city-approved strategy for attracting or retaining businesses to the City of Lakeport, which will typically involve at least one staff member; and
7. Meetings such as those listed above for which a meeting stipend is expressly authorized under this policy.

All other expenditures require prior approval by the City of Lakeport governing body.

The following expenses also require prior governing body approval:

1. International and out-of-state travel;
2. Expenses which exceed the annual limits established for each office holder; and
3. Expenses exceeding \$2,500.00 per trip.

Examples of personal expenses that the City of Lakeport will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's expenses when accompanying official on agency-related business, as well as children- or pet-related expenses;

4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on City of Lakeport business.

Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

Cost Control

To conserve the City of Lakeport's resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the City of Lakeport will be limited to the costs that fall within the guidelines.

Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Government and group rates must be used when available.

Airfare. Airfares that are equal or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities (www.cacities.org/travel), the California State Association of Counties (<http://www.csac.counties.org/default.asp?id=635>) and the State of California are presumed to be the most economical and reasonable for purposes of reimbursement under this policy.

Automobile. Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (see www.irs.gov). For 2010, the rate is .50 cents per mile. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed.

Car Rental. The City has secured a government rate on rental car services through Enterprise Car Rental. If it is more cost efficient than using an existing city or personal vehicle (with mileage and fuel reimbursement based on the IRS rate mentioned above), City personnel shall utilize this service for all out of town travel requiring an overnight stay or greater than 50 miles in distance, one-way. The City Manager shall determine which method of ground transportation is most cost efficient.

Taxis/Shuttles. Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

Lodging

Lodging expenses will be reimbursed or paid for when travel on official City of Lakeport business reasonably requires an overnight stay.

Conferences/Meetings. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

Other Lodging. Travelers must request government rates, when available. A listing of hotels offering government rates in different areas is available at <http://www.catravelSMART.com/lodguideframes.htm>. Lodging rates that are equal or less to government rates are presumed to be reasonable and hence reimbursable for purposes of this policy.

Option #1 (Median Hotel Cost): In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed the median retail price for lodging for that area listed on websites like www.priceline.com or an equivalent service shall be considered reasonable and hence reimbursable.

Option #2 (Flat Cap): In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed \$150 per night are presumed reasonable and hence reimbursable.

Option #3 (IRS Rates): In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed the IRS per diem rates for a given area are presumed reasonable and hence reimbursable.

Meals

All travel requiring an overnight stay, or of such duration that a meal is required, shall be reimbursable or subject to a per diem as is follows:

Attendance of a local or out of town conference, training, or special event (no overnight stay required). Any member of staff or City official (“Traveler”) shall receive a per diem, as defined in the Per Diem rates below, for all required meals as part of a scheduled out of town travel. Each staff person shall be required to submit a per diem request to their respective department head for review and approval prior to travel. All other Travelers must submit a per diem request to the City Clerk for approval by the City Manager. Unless special accommodations are necessary and irreconcilable (e.g. dietary restrictions that cannot be met by the meal options available), any meals provided in the cost or course of the event in question must be considered in the per diem request. The City shall not include in the approved per diem the cost of a meal provided therein.

Approved per diems shall be paid to the Traveler in advance, unless otherwise requested by the Traveler. Each Traveler is responsible to convey that preference to the Finance Department no later than 14 days before travel, unless otherwise permitted by the City Manager or designee.

Attendance of a conference, training, or special event requiring overnight stay. Any Traveler shall receive a per diem for three meals per day (breakfast, lunch, and dinner) as defined in the Per Diem rates below. Each staff person shall be required to submit a per diem request to their respective department head for review and approval prior to travel. All other Travelers must submit a per diem request to the City Clerk for approval by the City Manager. Unless special accommodations are necessary and irreconcilable (e.g., dietary restrictions that cannot be met by the meal options available), any meals provided in the cost or course of the event in question must be considered in the per diem request. The City shall not include in the approved per diem the cost of any meal provided therein.

Approved per diems shall be paid to the Traveler in advance, unless otherwise requested by the Traveler. Each Traveler is responsible to convey that preference to the Finance Department no later than 14 days before travel, unless otherwise permitted by the City Manager or designee.

Unanticipated or unscheduled trainings or special events requiring a meal. Staff, City Official, or other City representative may receive reimbursement for a meal resulting from an unexpected or unscheduled event. Such reimbursement shall be in accordance with the provisions of this policy and subject to the approval of the responsible department head or the City Manager.

Per Diem Rates. Eligible meals shall qualify for per diem or reimbursement at the following rates:

Breakfast	\$13
Lunch	\$20
Dinner	\$38

Per IRS rules, business meals eaten during day trips (travel without overnight stay) may qualify for reimbursement on a tax-free basis if the Traveler is in continuous travel for 12 hours or more. Travelers must indicate on the travel reimbursement form the time travel began and the time travel ended to document 12 hour travel status, if no overnight lodging is listed; otherwise, the meal will not be

reimbursed. Should travel be for 12 hours or more, the full reimbursable amount shall not exceed the total of the sums listed for meals above, and the meals will not need to be broken down as set forth above.

Such amounts will be annually adjusted to reflect changes in the cost of living in accordance with statistics published by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, all urban consumers for the San Francisco Metropolitan Area. (The annual adjustment will be based on this area whether travel is within the area or not.)

Receipt of a per diem shall not preclude reimbursement for an unexpected or unscheduled meal, pursuant to the provisions of this policy.

The City of Lakeport will not pay for alcohol/personal bar expenses.

Telephone/Fax/Cellular

Officials will be reimbursed for actual telephone and fax expenses incurred on City of Lakeport business. Unless otherwise directed by the City Manager, telephone bills should identify which calls were made on City of Lakeport business. For cellular calls when the official has a particular number of minutes included in the official's plan, the official can identify the percentage of calls made on public business.

Internet

Officials will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for City of Lakeport-related business.

Airport Parking

Long-term parking must be used for travel exceeding 24-hours.

Other

Baggage handling fees of up to \$1 per bag and gratuities of up to 15 percent will be reimbursed. Expenses for which City of Lakeport officials receive reimbursement from another agency are not reimbursable.

Cash Advance Policy

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City of Lakeport's behalf. Such request for an advance should be submitted to the City Manager 14 days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);
2. The benefits of such expenditure to the residents of the City of Lakeport;
3. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
4. The dates of the expenditure(s).

Any unused advance must be returned to the City of Lakeport treasury within two business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

In the event City Manager or his/her designee is uncertain as to whether a request complies with this policy, such individual must seek resolution from the City Council of the City of Lakeport.

Credit Card Use Policy

Pursuant to Administrative Policy (Credit Card Procedures), adopted July 6, 2010, The City of Lakeport issues credit cards only to staff members and City officials determined necessary by the City Manager. These officials may use the City of Lakeport credit card for such purposes as airline tickets and hotel reservations by following the same procedures for cash advances. Receipts documenting expenses incurred on the City of Lakeport credit card and compliance with this policy must be submitted within five business days of use.

City of Lakeport credit cards may not be used for personal expenses, even if the official subsequently reimburses the City of Lakeport.

Expense Report Content And Submission Deadline

Except for approved per diem allowances, all cash advance expenditures, Credit Card expenses, and expense reimbursement requests must be submitted on an expense report form provided by the City of Lakeport. This form shall include the following advisory:

“All expenses reported on this form must comply with the City of Lakeport’s policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the city/county/ district’s policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.”

Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed and how those relate to the City of Lakeport’s adopted legislative positions and priorities.

Officials must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

The manner in which per diem requests are made, reviewed, and approved shall be at the discretion of each department head and/or the City Manager. Approved per diem requests shall be submitted to the Finance Department in writing no later than 14 days before the event or travel, unless otherwise permitted by the City Manager or designee . The Finance Department shall provide the appropriate form for such submissions to be made.

In the event that a per diem was approved and paid to a Traveler who did not attend the conference, training, or special event for which the per diem was granted, that Traveler must return the per diem in

full to the City within 21 days from issue of the per diem. Failure to do so shall constitute a violation of this policy and subject the Traveler to reciprocity outlined herein below.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

Audits of Expense Reports

All expenses are subject to verification that they comply with this policy.

Reports to Governing Board

At the following City of Lakeport City Council meeting, each official shall briefly report on meetings attended at City of Lakeport expense. If multiple officials attended, a joint report may be made.

Compliance with Laws

City of Lakeport officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.

Violation of This Policy

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges; 2) a demand for restitution to the City of Lakeport; 3) the agency's reporting the expenses as income to the elected official to state and federal tax authorities; 4) civil penalties of up to \$1,000 per day and three times the value of the resources used; and 5) prosecution for misuse of public resources.