

City of Richmond

Administrative Manual

SUBJECT: Travel Expense Policy and Procedure

SECTION: Finance

POLICY NUMBER: AP 508

INITIAL DATE PREPARED: August 25, 1999

LAST DATE REVISED: August 25, 1999

I. Purpose

To ensure that uniform and standard procedures are followed which are consistent, comprehensive and explicit for approving and reimbursing City employees for travel and business expenses incurred on behalf of the City of Richmond.

A. Authorization and Approval Levels

Travel Advances and Travel Expense Reports are approved by the department director for employees within his or her department, by the City Attorney for employees reporting directly to him or her, and by the City Manager for employees reporting directly to him or her. These approvals may be delegated to an authorized designee who shall be at the department or division director level or above. Travel Advances and Travel Expense Reports must also be approved by the Finance Department Director, or his or her designee.

B. Compliance Responsibility

The Finance Department Director is responsible for processing expense reports and reviewing them for compliance with City policy and procedure. The Audit Division will periodically test check expense reports to determine compliance with City policy and procedure. The Financial Services Division is responsible for processing expense reports for payment.

C. Policy Change and Disputes

Any dispute regarding interpretation of this policy and procedure, as well as any serious non-compliance with this policy and procedure, is to be referred to the appropriate approval authority as designated above.

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D. Reporting Requirements

All expenses incurred for travel must be reported on the Travel Expense Report (Exhibit AP 508-1) whether paid by the employee or charged directly to the City.

II. Policy

The City of Richmond shall reimburse employees for reasonable and necessary travel expenditures incurred in the course of conducting the business of the City. When incurring expenses on behalf of the City, employees must recognize that the City is a public institution and that expenses involve the use of public funds. Adequate substantiation of expenditures is required. The nature and amount of expenses incurred may vary according to the objectives of the assignment, circumstances and location. Good judgement in the appraisal of the reasonableness of expenses is required by each individual incurring the expenses and the supervisory level approving expense reports.

Expenses which include both business and non-business (personal) items must be properly allocated to report only the business portion of the expenditures for reimbursement. Expenses, to the extent they are lavish or extravagant, are not regarded as reasonable and are not reimbursable.

III. Travel Expenses

All requests to travel on City business outside the continental United States shall be approved in advance by resolution of the City Council. All requests to travel within the Bay Area shall be approved by the appropriate department director. All requests to travel on City business within the State of California, but outside of the following Bay Area counties: Alameda, Contra Costa, Marin, Napa, Sacramento, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma, shall be approved in writing by the department director for staff within his or her department (Exhibit AP 508-2). All requests to travel outside of the State of

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California, but within the continental United States, shall be approved in writing by the City Manager. The City Manager shall provide a monthly written report to the City Council of all City travel outside of the State of California but within the continental United States.

Travel expenses include air and ground transportation, City automobile usage, personal automobile usage, car rentals for business purposes, meals and tips, lodging, non-meal tips, telephone, telegraph and fax, parking, tolls and other related expenses. Receipts are required for all reimbursable expenses over \$10.00, for which receipts are normally available.

A. Transportation

1. Air Travel

City approved air travel shall be routed through Oakland International Airport to the greatest extent practicable. City departments shall make their own travel reservations. Every effort should be made to travel at the lowest cost, i.e. staying over on Saturday and planning far enough in advance to take advantage of lower fares and discount hotel rates.

The class of air travel shall be coach only. Original carbons of air travel tickets must be submitted with the Travel Expense Report. The class of ticket is to be utilized as issued. If a lesser cost ticket is substituted for any reason, the cost savings is to be remitted to the City.

2. Automobile Travel

With the approval of the department director, employees may drive their own car for their own convenience when a pool car is unavailable. Reimbursement for mileage driven may not exceed the cost of appropriate air fare and related ground transportation. Therefore, the employee should check the cost of air fare versus mileage at the current approved rate (currently \$.31 per mile) before deciding to drive. The current approved rate will be the prevailing IRS

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mileage allowance rate. If automobile travel is selected for the employee's convenience, the time beyond normal air travel is not chargeable to the City's time. If automobile travel is selected for the employee's convenience, the mileage allowance may not exceed the cost of air travel.

For some designated employees receiving a monthly auto allowance for use of their personal car for City business, reimbursement for mileage will only be made on that portion of the trip outside a 60 mile radius (120 miles total) of the City Hall or the employee's regular assignment site. Therefore, 120 miles should be deducted from the total miles driven per trip when calculating reimbursable mileage. Please refer to Policy Number AP107 - "Policy on Driving on City Business and Use of City Vehicles".

3. Car Rental

When traveling, compact or mid-size vehicles should be rented. Hertz and Avis will give the City corporate discounts if evidence of City employment is shown.

Employees may purchase the CDW (Collision Damage Waiver). However, employees should not purchase any additional liability, medical payments or uninsured motorist insurance offered by the rental agency. Employees are covered by Workers Compensation when traveling on business. The City also purchases a Travel Accident Insurance Policy with a limit of \$500,000.00 per employee.

All rental of vehicles must be reported on a Travel Expense Report for reimbursement.

4. Public Ground Transportation

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Taxi, Airport limousine, bus, BART or other public transportation expenses incurred for a business related purpose is reimbursable. Prudent business judgement should be applied in determining the means of public transportation to be used.

5. Parking and Tolls

Parking and tolls incurred for business trips are reimbursable.

B. Meals

Actual meal costs as well as normal gratuities and taxes are reimbursable when incurred while on City business. Meals should be appropriate and consistent with the maintenance of a normal and reasonable living standard. Receipts are required for all reimbursable meal expenses. If meal expense is incurred for other persons for a business related purpose, this should be reported as a business meeting expense as appropriate and the purpose and parties involved should be stated. Reimbursement for alcoholic beverages is prohibited.

C. Lodging

Actual lodging expense for accommodations (not luxurious but in suitable quality facilities at the median price available) incurred for business purposes is reimbursable. Employees should take advantage of any available discounts and group rates. Receipts are required for all lodging expenses regardless of the amount to be reimbursed. The amount reported for lodging expenses should not include meals, telephone calls, etc., which should be listed separately in the appropriate sections on the employee's Travel Expense Report. If employees share lodging, lodging costs should be allocated between the employees on their Travel Expense Reports.

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D. Non-meal Tips

Reasonable non-meal tips are reimbursable.

E. Telephone/Telegraph/Fax

All business communications such as telephone, telegraph and fax are reimbursable. One personal call daily to home is reimbursable when an employee is traveling overnight out of town on City business with the use of a City Telephone Calling Card (AP 519).

F. Miscellaneous Travel Expenses

Reasonable laundry and valet services are reimbursable when the employee is away from his or her home. Expenses that are normal personal, such as toilet articles, magazines, etc., are not reimbursable.

G. Expenses \$40.00 or Less

Expenses up to \$40.00 or less such as tolls, and parking are to be reimbursed through the petty cash fund (see Policy Number AP 510 - Petty Cash). Infrequent mileage expenses may be reimbursed through the petty cash fund or using the Travel Expense Report. This excludes outside business meals or expenses up to \$40.00. Payment for refreshments at business meetings on City premises that include guests are considered a reimbursable expense. (Staff meetings or meetings with other employees do not constitute a "business meeting".)

H. Business Meals

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A business lunch or other meal is reimbursable if the meeting is actually for a business purpose with City tenants or potential tenants, suppliers, or other business associates. It is the City's policy not to pay restaurant vendors directly for charges incurred by individual City employee's. The City employee is responsible for paying the charges directly to restaurant vendors and to obtain reimbursement through the submission of the Travel Expense Report or the petty cash system. Restaurant business meals solely between City employees are not reimbursable. Reimbursement for alcoholic beverages is prohibited.

I. Other Social Events

The costs for social events or for the purchase of items to express condolences for deaths, congratulations for birthdays, baby showers or weddings are not reimbursable. Employees in particular departments that wish to furnish special items for events expressing sympathy or congratulations on certain occasions should pay for them by collecting the necessary funds among themselves. In the event of an employee's death, items for the expression of condolences may be funded by the respective departments and the amount spent should not exceed seventy-five (\$75.00). If the expenditure exceeds seventy-five dollars, a monetary collection should be made to cover the excess amount. Those employees who are interested in contributing, may do so on a voluntary basis.

IV. Employee Training Program

Attendance at conventions or seminars at the City's expense requires the prior approval of the department director or City Attorney, and the Human Resources Management Director or designee (as outlined in the City's Employee Training Program", Policy Number AP 306). Travel expenses relating to employee training must be reasonable (as outlined in Section III of this policy) and in this category include transportation, lodging, meals not included in

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conferences/seminars. Travelers are expected to consume any meals provided at the conference/seminar and will not be reimbursed for meals covered by the registration fee. Receipts for expenses and detailed explanation of the nature of the expenses are required.

Payment of convention and seminar registration fees paid directly to the event sponsor, should be made in advance utilizing procedures as outlined in Policy Number AP 306, "Employee Training Program". Also, whenever possible, discounted advance payments for related lodging should be utilized.

V. Travel Advance

The Travel Advance form (AP 508-3) is to be used for all requests for advances of travel funds. Travel advances must be requested at least 10 business days in advance of the date needed. A travel check will not be released to the traveler any earlier than 4 business days prior to the travel. It is anticipated that employees will be responsible for initial payment while traveling. If travel advances are necessary, travel advances are not to exceed an amount reasonably required, given the duration of travel. Travel advances will be based upon per diem guidelines provided by the Internal Revenue Service: i.e.; San Francisco is currently \$40 and other areas in the Bay Area are \$32 per day and shall be prorated for half days. Travel advances exceeding \$1,000.00 need prior approval of the City Manager. Travel advances are to be reported on the Travel Expense Report. A travel advance exceeding the amount of travel expense shall be refunded to the City by the employee when the expense report is submitted. Travel advances may remain outstanding 45 days from the date travel ends if additional travel is anticipated. All outstanding travel advances shall be applied or repaid by June 30th. The refund shall be in the form of a check made payable to the "City of Richmond" and may be attached to the Travel Expense Report or paid to a City Cash Drawer Custodian.

VI. Reporting and Reimbursement of Travel Expenses

All employee expenditures covered within this policy must be documented on a Travel Expense Report (AP 508-1), which is attached to this policy, in order to obtain reimbursement. This report is important for the employee's reimbursement of expenses and to provide adequate documentation of the expenses for City accounting purposes.

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A Travel Expense Report (AP 508-1) should be completed and submitted within ten business days after any business trip in which expenses were incurred.

The Financial Services Division will normally process reimbursements within fifteen business days of submission, provided that Travel Expense Reports are submitted with appropriate documentation and approval. The Travel Expense Report may be typed or printed legibly in ink. Expense columns and rows must be totaled, and the Travel Advance Section #8 is to be completed. Each Report should cover the travel period and not exceed thirty days. Each page must be hand signed in ink by the employee submitting the report.

Each Travel Expense Report must be submitted with required documentation. Amounts charged directly to the City must be indicated. Receipts, a paid bill, or other documentary evidence should disclose the amount, date, place, and nature of the expenditure.

A. Substantiation

Travel Expense Reports shall provide the funding accounting code(s) and the following information for the type of expenses incurred:

1. Travel

- a. Date of departure and return
- b. Actual cost of each separate item to be reimbursed except that incidental items of a similar nature (taxi, bus and BART fares) may be aggregated on a daily basis, but itemized on the reverse side of the report
- c. Cities or other locations visited
- d. Business purposes or nature of the business benefit expected, or business relationship of individuals visited

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- e. Allocation of transportation and related costs for any portion of the trip that is clearly personal.

2. **Travel Advance**

Travel Advances are to be accounted for and deducted from the total expenses due employee. A travel advance exceeding the amount of travel expense shall be refunded to the City by the employee when the expense report is submitted. Travel advances may remain outstanding 45 days from the date travel ends if additional travel is anticipated. All outstanding travel advances shall be applied or repaid by June 30th. The refund shall be in the form of a check made payable to the "City of Richmond" and may be attached to the Travel Expense Report or paid to a City Cash Drawer Custodian. If paid to a City Cash Drawer Custodian, a copy of the receipt should be attached to the Travel Expense Report.

3. **Requests for Travel**

A copy of the Request for Travel (AP 508-2) must accompany the Travel Expense Report.

- B. Failure to Comply with Procedures**

Failure to comply with any component of the above policy and procedure may result in disciplinary action.