

## **CITY OF LYNDEN**

**POLICY TITLE:** TRAVEL POLICY

**PROPOSED BY:** FINANCE

**DATE APPROVED BY COUNCIL:** April 2019

***Supersedes:*** May 2002

### **1.0 POLICY**

It is the policy of the City of Lynden to reimburse city employees for all necessary and reasonable travel and related expenses incurred while on authorized City business. Reimbursement for travel by private vehicle within the City shall not be allowed unless specifically approved through contractual agreement (LMC 2.36).

### **2.0 PURPOSE**

- 2.1 The purpose of this policy is to provide for the consistent application and use of travel funds and vehicle usage and to provide guidelines for authorization and reimbursement of travel expenses.
- 2.2 Employees may incur expenses while conducting official City business or enhancing professional skills and qualifications through attending schools, training programs, conferences, or professional meetings. These expenses may be reimbursed in accordance with the provisions of this policy.

### **3.0 APPLICABILITY**

- 3.1 Department Heads are responsible for disseminating the above information to other affected personnel within their respective departments. This policy supersedes any and all other policies previously issued concerning travel, training, subsistence and incidental cost reimbursements.

## **4.0 PROCEDURES**

- 4.1 City employees shall submit a completed Travel Authorization Form to ~~the City Administrator~~ their Department Head for prior approval for all travel and related expenses. All claims for reimbursement shall be certified by the employee on a City of Lynden Travel and Miscellaneous Expense Form and shall be submitted to the Finance Department, through the appropriate Department Head, no later than thirty (30) days for employee reimbursement or fifteen (15) days for City credit card purchases after completion of the travel or authorized activity, for purpose of statutory audit. Expense reports for Department Heads must be approved by the City Administrator or City Administrator designee. Expense reports for all other employees must be approved by the employee's Department Head or Department Head designee. Any deviations from policy or exceptions requested on any expense report must be specifically identified on the report and proper approval obtained as outlined in this policy prior to submission of the report to the Finance Department.

## **5.0 ALLOWABLE EXPENSES**

- 5.1 Reasonable expenses incurred during attendance at conferences or training programs shall be reimbursed as authorized in the following sections. Where receipts are required, they must be submitted in an orderly manner with the expense report.
- 5.2 No claim for reimbursement unless excepted below shall be paid unless it is accompanied by bonafide vendor receipts. Such receipts must show the date, a description of the purchase, vendor identification and amount paid. Credit card receipts are required when a credit card is used and must reflect the detail of the purchase as well as any tip paid. Any tip paid on a credit card purchase must not be more than ~~15%~~ 20% of the purchase, excluding tax. Specific rules for the documentation of a reimbursement or allowable travel expenditure are included below.
- 5.3.1 Transportation
- A. In general, a City vehicle should be used for officially approved travel. However, when a City vehicle is not available or practical to use, an employee, with the advance approval of their Department Head, may utilize a private vehicle and claim reimbursement at the per mile equivalent according to the prevailing IRS mileage rate. Reimbursement shall be allowed for official travel mileage determined on the basis of the distances shown on a current highway map or by odometer readings, starting point to be the employee's official work place. Mayor or City Administrator advance approval will be required for Department Head private vehicle use.

- B. All employees utilizing their personal vehicle for official travel purposes should have on file with the city proof of their current liability insurance coverage prior to approval. In the event of an accident or claim involving a personal vehicle used for official purposes, the employee's liability insurance policy will provide coverage.
- C. Transporting family members or others not involved in official city business, while on official city business, is a personal decision and the City will not provide excess liability protection to the non-business passengers in the event of an accident.
- D. When two or more employees are traveling together, reimbursement for mileage will be payable only to the owner of the vehicle used. When completing the Travel Expense Form, list the names of all employees that traveled in the same vehicle.
- E. When it is less expensive than private vehicle reimbursement, a common carrier (air travel, bus, rail) may be used for travel. All tickets must be purchased using the city corporate charge card. The City reimburses cost of travel at the lowest round trip coach fare rate. Receipt required. All major airlines are deemed to meet City employee travel needs. Employee preference is allowed. The City will not incur extra cost in order to accommodate frequent flyer programs. If travel plans are cancelled, it is the responsibility of the department to immediately notify the Finance Department so payment will not be made on the unused ticket. Finance is not responsible for returning tickets.
- F. The cost of a rental car will be handled on an exception basis and must be approved, in advance and in writing, by the Mayor or City Administrator.

### 5.3.2 Lodging

- A. Allowable lodging expenses include the basic commercial lodging cost and any applicable sales taxes and/or hotel/motel taxes. The allowable reimbursement rate is the actual lowest available rate for the minimum nights required to attend the function, with preference given to conference based hotel offerings. Room rates will not include lodging for non-employees. Employees are to attach detailed lodging receipts to the Travel Expense Form for all lodging reimbursement.
- B. Reimbursement for lodging expenses is not to be authorized when an employee does not incur lodging expenses at a commercial lodging facility.
- C. Purchase of Lodging Accommodations: The preferred method of purchasing lodging accommodations while on official City business is through the use of

the corporate charge card. Employees are to attach lodging receipts to the Travel Expense Form for all lodging reimbursement.

- D. 50-Mile Rule: Reimbursement for lodging expenses incurred at a lodging facility within fifty (50) miles of the closer of either the employee's official residence or official work place is not allowed except under one of the following three conditions. All require prior approval as outlined in this policy.
1. An overnight stay in commercial lodging to avoid having an employee drive back and forth for back-to-back late night/early morning official City business.
  2. When the health and safety of travelers is of concern.
  3. When an employee can demonstrate that staying overnight is more economical to the City.

### 5.3.3 Meals

- A. Reimbursement for subsistence expenses incurred at an employee's official work place or official residence is prohibited.
- B. For qualifying functions (conventions, training, professional meetings, conferences, seminars), reimbursement will be limited to a per diem amount of ~~\$38~~ \$55. ~~when the employee does not use a city credit card. No receipt required.~~
- C. The per diem amount will be reduced by the per diem for any meals provided by the conference, seminar, training or similar function. **Reimbursement for subsistence expenses is not to be authorized when an employee does not incur expenses for meals because they are furnished.**
- D. Employees are required to report start and end times of qualifying functions to compute eligibility for reimbursement.
- E. For qualifying functions notrequiring overnight stays (conventions, training, professional meetings, conferences, seminars), including days of travel to and from overnight stays, per diem is not allowed per IRS guidelines. Employees are limited to reimbursement for actual expenses, not to exceed the per diem rates for individual meals as stated in this policy. Receipts are required for reimbursement. .
- F. Employees must be in travel status during department determined meal times to qualify for meal cost reimbursement. The taxability of any meal or meal related reimbursement will be determined at time of reimbursement by Finance Department.

- G. To qualify for breakfast, an employee must be in travel status for at least 1 hour before their official starting time or away from home the previous night. The maximum allowable rate for breakfast is ~~\$9.00~~ \$13.00, including tip.
- H. The department lunch meal period is your regularly scheduled lunch meal period. To be reimbursed for lunch, an employee must be in travel status during their entire regularly scheduled lunchtime. The maximum allowable rate for lunch is ~~\$11.00~~ \$14.00, including tip.
- I. To qualify for dinner reimbursement, an employee must be in travel status at least 2 hours after the regularly scheduled quitting time. The maximum allowable rate for dinner is ~~\$18.00~~ \$23.00, including tip.
- J. For weekends and holidays, the employee's regular work schedule will be used to determine meal times for reimbursement.
- K. Regular per diem reimbursement is not provided when:
  - 1. Meals are furnished by the city or host facility visited.
  - 2. The cost of meals are included in the pre-paid registration fee for a qualifying function (meeting, conference, or convention)
- L. Subsistence payments are not required to be reduced or eliminated due to meals served on airlines. Similarly subsistence payments are not required to be reduced for continental breakfasts included in the registration fee of a qualifying function (meeting, conference or convention).

#### 5.3.4 Telephone

For qualifying functions, calls are limited to City offices. Receipt required. Reimbursement for mobile telephone calls are limited to City business. Receipt required.

#### 5.3.5 Tips and Gratuities

Tips and gratuities cannot exceed the maximum rate of ~~15%~~ 20% of the allowable amount before tax on the meals when either a city credit card is used or actual reimbursements. Receipt required for both credit card and/or actual reimbursements.

#### 5.3.6 Miscellaneous Travel Expenses

Miscellaneous Travel expenses essential to the transaction of official city business are reimbursable to the employee. Reimbursable expenses include, but are not limited to (detailed receipts required):

- A. Taxi fares, motor vehicle rentals, parking fees, and ferry and bridge tolls.
- B. Registration fees required in connection with attendance at approved conventions, conferences, and official meetings.
- C. Charges for necessary facsimile (FAX) services.
- D. The cost of personal care attendant services which are required by disabled employees in order for them to travel will be allowed as a miscellaneous travel expense. Such costs may include fees and travel expenses of the attendant. The Mayor or City Administrator will set the maximum reimbursement for attendant services.

#### 5.3.7 Other Food Expenses

The reasonable cost of food and beverage items related to the listed situations are allowable provided that such have been allocated in the appropriate budget:

- A. Cost for meals of interviewers and staff involved in assessment center or daylong interviews.
- B. Cost of coffee and other refreshments at appropriate ceremonies such as facility openings, swearing-in ceremonies, commendations and the like.
- C. Cost of working lunches, working dinners, coffee and other refreshments at City facilities such as with council committees and the like.
- D. Cost of meals and/or refreshments at employee and volunteer recognition events.
- E. Cost of meals, coffee and other refreshments at training sessions or organizational/working sessions with other municipal, county, state officials or City recognized committees. ~~Departmental staff meetings are excluded.~~

### **6.0 Disallowed Expenses**

Certain travel expenses are considered as personal and not essential to the transaction of official city business and therefore not reimbursable. Such non-reimbursable expenses include, but are not limited to:

Valet services, entertainment expenses, radio or television rental, and other items of a similar nature. Valet services are defined as the hiring of a personal attendant who takes care of the individual's clothes, or helps the individual in dressing, etc. The prohibition against valet services for general travelers is not to be considered as a

prohibition against the use of a personal care attendant required by a disabled employee under the provisions above.

1. Taxi fares, motor vehicle rental, and other transportation costs to or from places of entertainment and other similar facilities. In addition, transportation expenses between an employee's official residence and official work place are not allowable.
2. Costs of personal trip insurance (such as personal accident insurance, personal effects insurance and extended liability insurance), and medical and hospital services.
3. Personal telephone calls of an employee.
4. Any tips or gratuities associated with the personal expenses. This includes tips associated with the procurement of lodging.

## **7.0 Prohibited Reimbursable Expenses**

As noted in previous sections, reimbursement for the purchase of personal items, including cold remedies, aspirin, etc., and expenses associated with recreation, gifts, and alcoholic beverages are specifically prohibited. Expenses for spouses, guests or family members are not reimbursable.

## **8.0 Persons Authorized to Incur Expenses**

The intent of this policy is to provide guidelines and procedures for reimbursement of expenses incurred as a result of carrying out City business. The authority to incur such expenses shall be based on budgetary constraints and the circumstances wherein the conduct of City business warrants the occurrence of an expense.

## **9.0 Granting Exceptions**

The City Administrator or City Administrator's designee has the authority to grant specific exceptions to this policy when such is determined to be in the best interest of the City. The City Administrator or City Administrator's designee may approve such an expense by signing the report in which it is contained provided that the report identifies the expense as an exceptional expense.

## **10.0 Fiscal Restraints**

Notwithstanding any of the provisions of this policy, the City Administrator may deny reimbursement of any expense which, in the City Administrator's sole opinion, should be disallowed because of fiscal restraints placed on the City.

### **11.0 Forfeiture of Claim**

- A. The failure to fully and timely comply with this policy may result in the forfeiture of the right to reimbursement or payment for any expenses claimed. In the event that a claim is rejected for failure to comply with the requirements of this policy, the amount of the claim may be withheld from the employee's paycheck at any time subsequent to 30 days after the City Administrator's determination.
- B. The deduction amount may not exceed 50% of the net take-home pay. The deductions may continue until the entire balance plus any additional penalties and fees are satisfied. The additional obligations may include, but are not limited to, utility bills, court fines, and fees.

### **12.0 Violation**

Violation of the requirements of this policy shall constitute a basis for employee discipline.



## ATTACHMENT A: DEFINITIONS/GLOSSARY

**Authorized Travel Status** – That period of time when the employee is in authorized travel status away from the official work place.

**Coffee and Light Refreshment** – For City travel regulation purposes, coffee encompasses any non-alcoholic beverage, such as tea, soft drinks, juice, or milk. For City travel regulation purposes, a light refreshment is an edible item that may be served between meals. Examples of such items are doughnuts, sweet rolls, pieces of fruit or cheese, etc.

**Commercial Lodging Facility** – A public establishment selling lodging accommodations to travelers. A motel, hotel, rented furnished house, “bed and breakfast” inn or house, or rented furnished apartment with rent paid on a daily basis, or prorated on a weekly or monthly basis.

**Common Carrier** – A person or company that transports passengers or goods for a fee.

**Continental Breakfast** – A breakfast generally consisting of juice, breakfast bread, and a hot beverage (typically coffee or tea). Fruit is sometimes included as part of the price or as a prices option.

**Employee** - Shall mean both uniformed and non-uniformed personnel employed by the City.

**Expense Report** – City of Lynden Travel and Miscellaneous Expense Form.

**Economical** – Direct financial, work-related costs that occur at the least cost to the city and for which the city is responsible to pay.

**Lodging** – Sleeping accommodations; rented room(s) in a hotel, motel, or bed and breakfast. See “Commercial Lodging Facility.”

**Most Direct Road Miles** – The road miles as calculated using either:  
The distances listed between the highway markers shown on the official Washington State Highway map produced by the Washington State Department of Transportation.  
The actual odometer reading.

**Official Residence** – The city, town, or other location where an employee maintains a residence which is used as a primary domicile by the employee. Determinations by the Department Head or authorized designee regarding an employee’s official residence are to be based on items such as voter registration, ownership, or long-term rental of a personal residence, and the permanent address carried in the employee’s personnel file.

Official City Business – Those activities performed by an official or employee of the city or authorized volunteer.

Official Work Place – The location where the traveler's primary place of work is performed.

Original Receipt – An itemized bill or invoice issued by a hotel, motel, or bed and breakfast establishment indicating amounts paid for lodging, telephone calls, food, other services, and taxes. Indicates the establishment name.

Per Diem Expenses – Those costs covering meal expenses while in travel status and paid by the day.

Seminar - Shall mean seminar, workshop, school, class, and conference.

Transportation Expenses – Those costs covering a) travel by commercial carriers such as bus, train or airplane; b) travel by privately owned motor vehicles; c) travel by rental motor vehicle; d) or some combination of a), b), and/or c).

Traveler – A person in travel status who is on official City business.

Volunteer Workers – Persons performing services for the city, or attending seminars, conferences, or meetings at the invitation of the city, but who are not city employees.