



## Personnel and Administrative Policy and Procedure

<b>SUBJECT: Business Travel</b>	<b>EFFECTIVE DATE: November 14, 2005</b> <b>REVIEWED: May 2011</b> <b>REVISED: November 15, 2006; December 2012; February 2019</b>
<b>CATEGORY: 400</b> <b>POLICY NUMBER: 400.5</b>	<b>CROSS REFERENCE:</b>

**Purpose:** To outline policy for eligible business travel expenses.

**Scope:** This policy applies to all City employees except as otherwise provided by an employment contract for the City Manager.

**Policy:** The general policy regarding employee conferences, training and travel expenditures is that meetings lasting more than one day or requiring overnight stay must be planned in advance by providing funds in the budget, be reviewed and approved by a Department Director or designee prior to the trip and must be supported by documentation justifying the expenditure of City funds. This policy clarifies the guidelines in this area and provides the procedures for the reimbursement of reasonable travel, meals, lodging and miscellaneous expenses for approved business events.

### Travel Time

The City will adhere to the Oregon Administrative Rules and regulations set forth in the Bureau of Labor and Industries publication as follows:

1. Normal travel from home to work is not compensable work time.
2. If an employee is traveling during work hours to a location for work related purposes, including training, that time shall count as compensable work time.
3. On overnight trips, travel time that falls within the employee's regular work hours or the corresponding hours on days off will be paid. For instance, if regular work hours are 8am – 5pm Monday to Friday, travel time falling within those hours are compensable, even on Saturday and Sunday.
4. Time that is spent in travel for overnight trips outside of regular work hours as a passenger on an airplane, train, boat, bus, or automobile is not considered work time. For instance, if regular work hours are 8am – 5pm Monday to Friday, travel time before 8am and after 5pm is not paid, unless the employee is driving. The City is not obligated to compensate for travel time outside normal work hours if an employee who is offered transportation chooses to drive.
5. If an employee is given a one day assignment to work in another city that is more than thirty (30) miles away, the employee will be paid for travel time.
6. If public transportation is available, but the employee requests to drive his/her own car, the employer may count as hours worked either the time spent driving the car or the hours that would have been spent on public transportation, whichever is less, provided the travel meets the other requirements to be compensable.

## **Transportation**

1. The most economical method of travel should be used and should consider such factors as compensable travel time, direct cost of a particular mode of travel, and number of people that could travel together.
2. Travel in the Portland and Salem metro areas is considered local and is not eligible for overnight lodging expenses.
3. Travel outside of the Portland and Salem metro areas that includes overnight lodging must be pre-approved by the Department Director or designee on a Pre-Travel Authorization Form. When approved transportation includes airfare, transportation to and from the airport, parking, bridge tolls and other costs directly related to transportation, the employee is reimbursed for actual cost.

## **Mileage**

**Policy:** Employees will be reimbursed for authorized use of personal vehicles in the performance of City business.

See Vehicle Use Policy for more information on insurance requirements and use of personal vehicles to conduct City business.

1. The use of personal vehicles will be reimbursed on a mileage basis at the current IRS rate. The current IRS rate is available on the Mileage Reimbursement form. All other costs related to use of a personal vehicle including insurance and gasoline are covered by this rate and are the responsibility of the employee.
2. Reimbursements of up to \$50.00 should be made through department petty cash custodians. Reimbursements of more than \$50.00 should be submitted to accounts payable. In either case the employee must submit a signed copy of the Mileage Reimbursement form to their Department Head or Supervisor for approval. The employee is then responsible for ensuring that the approved request is submitted to the department petty cash custodian or accounts payable within one month of the travel showing the purpose of travel, date and mileage used.

Mileage reimbursement requests should be submitted using a Mileage Reimbursement Request form.

## **Overnight Travel - Business Meals and Related Expenses**

1. When an employee travels on approved overnight business, per diem amounts for breakfast, lunch, dinner, and incidentals are available. The per diem allowance amounts are intended to provide for meals, tips, baggage handling and miscellaneous expenses. The latest authorized per diem allowance amounts are equal to the current IRS standard per diem rates which are listed on the Post-Travel Reconciliation form.
2. As an alternative to the per diem method described above, the employee may be reimbursed for actual meal expenses, up to the amount of the per diem rate if the Department Director approves this method, and if the receipts are itemized listing the individual purchases. The City will not reimburse employees for alcohol purchases. If there is a non-paid meal associated with the conference such as an awards dinner that exceeds the per diem rate, the full amount of the meal will be reimbursed with appropriate verification of expenses.

**The employee must use either the per diem method or the alternative actual method exclusively on each overnight function, and not combine the two.**

### **Lodging**

The City pays the single room rate for employee lodging for approved overnight functions. Lodging costs that exceed the single room rate are borne by the employee.

If employees share lodging each employee shall be reimbursed the lesser of the single rate or one half the double rate.

### **Other than Overnight Travel – Meals and Other Expenses**

Business expenses for other than overnight travel **except for meals** will be reimbursed based on actual expenditures, provided that the expenditure is approved by the Department Head.

The IRS considers meals incurred for other than overnight travel to be **taxable to the employee. Accordingly, the City does not reimburse for meals on other than overnight travel or on meals consumed off City premises.**

Meals provided for the convenience of the City and which are consumed on the premises and for a business purpose are not taxable to the employee.

Reimbursements to employees for meals taken with non-City employees are excludable if the main purpose of the meeting was to conduct business and business was actually conducted or if the purpose is to entertain customers/civic leaders with whom the City has or wishes to have a business relationship and business is discussed.

### **Procedures and Forms**

By using the following two forms and attaching all itemized receipts, the IRS' "Accountable Plan" rules will be met which makes conference/training trip expenses tax-free to employees. If a credit card is used, the itemized receipt showing the purchased items **must** be submitted in addition to the credit card receipt.

#### **Pre-Travel Authorization Form**

This form is used to estimate travel expenses and receive prior signed authorization to attend. The employee retains this form and attaches it to the Post-Travel Reconciliation Form that is submitted for reimbursement after the trip's completion. Business meetings of one day or less do not require prior approval.

#### **Post-Travel Reconciliation Form**

This form is used to reconcile all trip expenses. All personal or City-paid trip expenses should be reflected on this form. The form allows for lines to back-out any expenses the City has already paid, netting to an amount due back to the employee for the expenses they paid directly.

If a City purchase card is used for some or all of the expenses, then a copy of the receipts and Post-Travel Reconciliation form should be attached to that monthly purchase card statement. The original receipts and Post-Travel Reconciliation form should then be submitted into Accounts Payable for reimbursement or filing support.