



OFFICE OF THE CITY MANAGER

Administrative Instruction
Section IV
No. 2

Travel and Training Policy and Reimbursement of Expenses

Supersedes: January 1, 1992, May 30, 1997, June 16, 1997, August 2000, and July 2005

Effective Date: February 17, 2011

Purpose

The purpose of this Administrative Instruction is to:

1. Establish and define authorized business travel training and membership expenses incurred associated with conducting City of South San Francisco business.
2. Specify the procedures for reimbursement of City employees for their actual mileage, transportation, lodging, meals and other related expenses while attending conferences, training sessions, meetings and/or other official City business.
3. (Note: the City Council has their own travel reimbursement policy and procedures, developed with the assistance of the City Attorney's Office, and this Administrative Instruction does not apply to them).

Policy

The City recognizes the benefit in training and attendance at meetings and functions for the purpose of advancing professional knowledge and skills through the exchange of information relating to local government. Authorizing attendance at these functions is considered to be in the best interest and for the overall benefit of City operations.

Each budget cycle, the City Council approves the final operating budget that includes authorization for travel and training expenditures. These expenditures shall conform to the administrative guidelines described as follows.

Procedures

1. Authorization for Travel
 - A. Travel that does not require overnight stay must be authorized by the employee's immediate supervisor.
 - B. Travel for City related business that requires overnight stay must be authorized in advance by the department director (or City Manager if requiring absence for multiple days or overnight stay).

C. Travel for City related business outside of California is permitted only when budgeted for and when pre-approved by the City Manager.

2. Reimbursable Expenses

A. Registration Fees: The City will reimburse in full for such registration fees as may be required for attendance at required and/or authorized conferences and meetings.

B. Transportation

1. Employees shall exercise judgment with the selection of an economical means of transportation.
2. An employee using a personal car for approved City business will be reimbursed at the current Internal Revenue Services (IRS) rate. This rate per mile incorporates all costs incurred while operating such vehicles, such as gasoline, depreciation and insurance. Employees using personal vehicles are required by State law and City policy to have up to date liability insurance coverage.
3. Employees driving to meetings or trainings should drive in a safe manner, and maintain their attention on the road in a non-distracted fashion. Employees should refrain from using cell phones when driving, and should be used only when the car can be pulled off the road and parked safely. Refer also to the Administrative Instructions on use of Cell Phones and on duty Use of Vehicles While on City Business for more information.
4. Necessary expenditures will be reimbursed for parking, toll charges, and ground transportation (i.e., bus, taxi and airport shuttle) while incurred in connection with official City business travel. Note: reimbursements will be made through the City's "Statement of Expenses" form, which should be scanned into the Eden financial system record requesting payment, or attached to a Petty Cash Reimbursement Form. Receipts must be provided for all reimbursements, except bridge tolls.

C. Lodging

1. Expenditures for lodging will be reimbursed when the situation necessitates the employee staying overnight. Hotel/motel accommodations should be appropriate for the purpose of the trip and reimbursable on the basis of actual expenditures. Additional cost for non-City employees sharing the same room with the City employee is to be borne by the employee and subtracted from the total cost prior to submittal for reimbursement. Preauthorization is required by the City Manager for overnight travel, using a Travel Authorization Form.
2. In the event that the City is to be billed for a hotel/motel room, charges of personal incidental expenses, i.e., personal telephone calls, room service, gym usage, etc., are to be cleared from the bill prior to departure, that is, paid by the employee directly/separately.

D. Meals

1. While conducting City business and attending one-day events (i.e., workshops) and training sessions, the actual costs of meals may be reimbursed, subject to the IRS guidelines. When attending conferences requiring overnight travel, an amount not to

exceed \$50 per day will be allowed for meals provided the reimbursement does not fall under the IRS restrictions/guidelines on taxable income (see below).

2. The IRS guidelines on taxability of meals are contained in the publication on this web site: http://www.irs.gov/pub/irs-tege/fringe_benefit_fslg.pdf. The IRS requires that, with some exceptions (outlined below), meal reimbursements for training sessions where the employee does not stay overnight must be reported as taxable to the IRS. The City will **not** reimburse employees for meals that are considered taxable income. The IRS considers some meal reimbursements taxable income (see below) because it is assumed that in a regular work situation where no overnight travel is required, the employee would normally pay for or make provisions their own meals, and that therefore employer reimbursement would constitute taxable income.

Exceptions to Meal Reimbursements as Taxable Income:

One of the following conditions must occur for the IRS **not** to consider a meal taxable income, and for the meal to therefore be eligible for reimbursement by the City:

- The meal is a part of a trip on City business that requires overnight travel by the employee. The IRS generally sets at 90 miles or more one way from the workplace as the condition requiring overnight travel; or
- The meal is one at which official business is conducted during the meal itself, and the meal is organized as part of the meeting itself. If an employee went to a legislative update meeting where lunch was provided during the meeting itself, that meal (as part of the cost of the meeting registration) could be reimbursed. Other examples include:
 - i. a meeting between a City employee (typically a manager or supervisor) and his or counterpart in another City on official City business in which specific items of mutual concern to both cities are covered;
 - ii. a periodic luncheon of professional staff members in which the City employee (typically a manager or supervisor) participates to keep abreast of professional developments in his or her field. These types of luncheons typically have speakers or agendas. Examples of this type of meeting includes the Chamber of Commerce and trade or professional associations;
 - iii. If an employee went to a training session, and part of the cost of registration for that session was for lunch, and where that lunch is required as part of that meeting registration itself.

3. Employees will not be paid a meal allowance, but only for meals actually taken, accompanied by valid receipts and which otherwise comply with these sections.

- E. Receipts and other documentation of expenditures must be affixed to any request for reimbursement which is submitted to the Finance Department through the Eden Financial

System, or through a department's petty cash using the Petty Cash Voucher Form. Requests without receipts will not be processed, with the exception of bridge tolls. A Statement of Expense Form should be used, regardless of whether the reimbursement is from petty cash or through the Eden system. To satisfy IRS requirements for meal reimbursements, the nature of the meeting should be included/described in the documentation, preferably, along with a copy of the meeting agenda.

F. Cash Advances

1. Cash advances for official City business expenses are discouraged, and except for Recreation program supervisors, will only be allowed in rare or emergency situations. They will only be allowed when the employee cannot reasonably use a City credit card, or use a personal credit card and get reimbursed for expenses after the fact. Departments are encouraged to prepay meeting registrations using department credit cards rather than request a cash advance. Requests for additional departmental credit cards should be authorized by the department head and forwarded to the Finance Department Administrative Assistant.

Employees requesting such cash advances must submit a memo justifying why an advance is required, with an explanation of why prepayment could not be arranged by department or why the employee's own credit card could not be used. That cash advance request must be signed by the Department Head, and scanned into the Eden financial system as an invoice request. Include supporting documentation such as workshop flyers/announcements with the information scanned into Eden. Immediately upon return from the business excursion, the employee must file a full accounting of expenses with the Finance Department, but not later than 30 days after the initial request was made.

Request for cash advances for travel and other official City business expense must be submitted to Finance, at least ten days in advance. If employees fail to provide sufficient documentation for cash advances within 30 days of the advance, that privilege will be suspended.


Barry M. Nagel
City Manager

Dated: February 17, 2011