

<b>SUBJECT:</b>		<b>SECTION:</b>
TRAVEL PROCEDURES		030.1324.002
 <b>D·U·L·U·T·H</b> <b>POLICY/PROCEDURE</b>	<b>DEPARTMENT/DIVISION</b> <b>FINANCE AND RECORDS</b> <b>AUDITOR</b>	Page 1 of 6
	<b>EFFECTIVE DATE:</b> February 1, 1996  <b>SUPERSEDES:</b> November 19, 1993	<b>APPROVED BY:</b>  <b>City Administration</b>

**030.1324.002 TRAVEL PROCEDURES**

**PURPOSE:**

To establish regulations and procedures for work-related travel and other reimbursable expenses, in accordance with Duluth City Code, Division 2, Section 201-5, for all City officers and employees, as well as for members of City boards and commissions.

**DEFINITIONS:**

**In-State Travel** is any destination within the State of Minnesota. Use a Travel Request Form and a Travel Claim Form if travel includes an overnight stay. Use a Purchase Authorization Form or a Mileage Reimbursement Form for single day trips.

**Out-of-State Travel** is overnight travel not in the State of Minnesota, and not covered under "local travel." Use a Travel Request Form and a Travel Claim Form.

**Local Travel** is business-related meetings and seminars within either the city limits of Duluth, or any location in St. Louis County, Minnesota, or Douglas County, Wisconsin, or within a 100 mile radius of Duluth. Use a Purchase Authorization Form or a Mileage Reimbursement Form.

**Job Assignment Travel** is a short-term trip which takes place due to a specific work assignment, such as pickup or delivery of a piece of equipment, and involves minimal out-of-pocket expense for the employee. Use a Purchase Authorization Form, or Mileage Reimbursement Form.

**Mileage** is a listing of odometer readings and locations to which an employee travels while on City business using a personal vehicle. Use a Mileage Reimbursement Form or a FAVR Mileage Form.

**FORMS:**

**Travel Request Form** is used to provide information concerning a trip, to estimate costs, and to secure approval. This form must be filled out and be approved by the appropriate authority prior to any out-of-state travel, or in-state travel which includes an overnight stay. If the estimated costs exceed \$300, the form must be sent to the Auditor's Office prior to the trip, so that funds may be encumbered. The form will also serve as a means to request direct payments for, or reimbursement of, costs incurred prior to the trip, as well as to request an advance for out-of-pocket costs. Detailed instructions are on the back of the form.

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**Travel Claim Form** is used to summarize all costs incurred for a particular trip, either out-of-state, or in-State with an overnight stay, for which an employee seeks reimbursement or has received an advance, or for which the City has issued a direct payment on the employee's behalf. Within 30 calendar days of returning from a trip, the employee must fill out the form, sign it, attach backup documentation, have it signed by the designated approving authority, and forward it to the Auditor's Office for processing. Detailed instructions are on the back of the form.

**Purchase Authorization Form (PAF)** is used to 1) pay a vendor for an employee's business meeting/seminar expense; or 2) to reimburse an employee for expenses related to local travel, job assignment travel, or in-State travel that does not require an overnight stay.

**Out-of-Pocket Expense Log** is used to record and substantiate costs incurred while traveling. It must be attached, along with other required documentation, to either the Travel Claim Form or Purchase Authorization Form.

**Mileage Reimbursement Form** is a log showing information related to use of an employee's personal vehicle while on City business. All routine mileage must be reported on this form, unless the employee participates in the Fixed and Variable Rate (FAVR) Program, in which case all mileage must be reported on FAVR forms. This form should be submitted periodically for reimbursement. It may be used for any mileage incurred, including local travel, in-state travel, and job assignment travel, as long as other out-of-pocket expenses (excluding parking) have not been incurred. If there were additional expenses, all costs, including mileage, should be reported either on a Purchase Authorization Form (PAF) or a Travel Claim Form.

**Travel Miles/Credit Reporting Form** is used to report frequent flyer miles earned, or other credits issued, as a result of air travel paid for with City funds.

#### **APPROVING AUTHORITY:**

Employees must obtain written approval on a Travel Request Form from their designated approving authority prior to traveling out-of-state, or in-state with an overnight stay. Employees should check with their supervisor and receive either verbal or written permission before incurring any other type of travel expense.

**Department Directors** (including City Attorney) are approving authorities for all staff assigned to their department. The director may authorize others in the department to approve travel or mileage expenses, as long as it is not out-of-state or over \$300. Such authorizations must be communicated to the Auditor's Office in writing.

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**Administrative Assistant** is the approving authority for members of boards and commissions. The Administrative Assistant is also the approving authority for all department directors, including the City Attorney, on Travel Request Forms for out-of-state travel only, and on all Travel Claim Forms for both in-state and out-of-state travel. Department directors may approve their own Mileage Reimbursement Forms and Purchase Authorization Forms (PAF's) for their local or in-state travel costs.

**Mayor** is the approving authority for the Administrative Assistant, following the same requirements as described in the Administrative Assistant section above.

**City Council President** is the approving authority for all Council members' travel expenses; the Council Vice-President may serve as the approving authority in the President's absence.

**ALLOWABLE COSTS/REQUIREMENTS:**

Listed below are the types of costs the City considers to be allowable expenses for the various types of travel described above. In order to help with the processing of travel claims, employees should provide appropriate and adequate documentation for all costs. Items that are not included below, or that exceed the specified limits, must be explained in writing and be approved by the designated approving authority before they will be considered for reimbursement.

When attaching personal credit card receipts to the Travel Claim Form, the employee should make sure that the credit card number has been blocked out, since these forms are public documents.

**Registration Fees** for conferences and seminars that take place locally, in-state or out-of-state, require the following:

- ▶ a copy of the completed registration form, including cost information.
- ▶ a copy of the portion of the brochure which shows the schedule of sessions offered and meals provided.

**Transportation** mode should be based on minimum expense to the City, as well as convenience for the employee.

- ▶ Coach class accommodations should be the standard mode of air travel. The passenger receipt, the last part of the original airline ticket, must be provided as documentation.
- ▶ Any credits toward free or reduced-rate airline tickets or other benefits received by an employee as a result of air travel paid for with City funds, shall, if possible, be transferred to the City or used by the employee for subsequent City travel. All such credits and other benefits must be reported to the City Auditor within 90 days after they are earned or received, using the Travel Miles/Credit Reporting Form.
- ▶ Any extension of travel time must be explained in writing, and any additional costs incurred should be less than the lowest documented coach air fare available. Examples would include

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traveling on Saturday to take advantage of lower air fares, or choosing to travel by personal vehicle rather than flying.

- ▶ The reimbursement rate for the use of a personal vehicle is the current standard mileage rate for business use of cars authorized by the Internal Revenue Service (IRS). Attachment A identifies the current rate in effect.
- ▶ For other than local travel, the employee will be reimbursed for mileage to and from the destination city, as well as for the number of miles of required travel within the destination city while on official business.
- ▶ Employees who participate in the Fixed and Variable Rate (FAVR) program will be reimbursed for travel mileage following the guidelines and rates specified for that program.
- ▶ Taxi, bus or limousine fares, including a tip, will be reimbursed for transportation between the airport and hotel, and between the hotel and business meeting place (if they are different). Fares for sightseeing, shopping and other non-business activities will not be reimbursed. Receipts are required for fares over \$25.00.
- ▶ Car rentals will be reimbursed provided that such use serves a public purpose, is explained in writing and approved by the designated approving authority, and is supported by a detailed invoice or receipt. Employees are responsible for renting the most economical and feasible car available.

**Lodging** should be chosen on the basis of convenience, reasonableness of cost, and proximity to the meeting site.

- ▶ An itemized hotel bill, showing both charges and payments, is required for reimbursement. Charge card receipts can be included in addition to, but not in place of, the hotel invoice.
- ▶ Lodging costs will be reimbursed at the single room rate only. If the employee shares a room with a non-City employee, it is the employee's responsibility to document the single room rate.
- ▶ Business phone calls included on the hotel bill should be identified as such in order to be reimbursed as part of lodging costs.
- ▶ In-room meals and personal phone calls included on the hotel bill should be deducted from the total and reported in the meal and miscellaneous sections.

**Travel Meals for Employees.** Employees must report the actual cost of meals, snacks, and non-alcoholic beverages, including tax and gratuity, incurred while traveling on City business. No reimbursement will be given for meals when travel does not include an overnight stay, with the exception of business meals, as defined in the next section.

- ▶ For travel with an overnight stay, breakfast or dinner costs are eligible for reimbursement if the employee leaves home before 7 a.m. or returns home after 6 p.m., respectively.
- ▶ Actual costs will be reimbursed up to \$34.00 per day without receipts--\$7.50 breakfast, \$8.50 lunch, and \$18.00 dinner, or any combination that does not exceed the amount allowed for eligible meals. Because these amounts are not a meal allowance, it is important that ACTUAL costs be reported. Snack items will be reimbursed, as long as their inclusion does not cause the

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daily limit to be exceeded. Although receipts are not required within the \$34.00 daily limit, employees are encouraged to keep them and turn them in whenever possible.

- ▶ Meal costs over the allowable amount must have receipts attached in order to be reimbursed. Excess amounts should be reasonable given the location and circumstances of the meal.
- ▶ An employee will not be reimbursed for meals already paid for as part of a conference registration fee.
- ▶ An employee may choose to attend a meal that is served in conjunction with a conference or seminar, but is not included in the registration fee. The employee will be reimbursed in full upon presenting a receipt, or may choose to have the City pay the cost directly with the registration fee.

**Business Meals for Employees and Others.** Meals served in conjunction with a business meeting, seminar or conference will be reimbursed to employees attending as representatives of the City, upon receipt of documentation of the expense. Documentation should include the amount, date and place, as well as the public purpose of the expense.

An employee may also be reimbursed for meals bought for other persons who have official business with the City. The cost of providing such meals, including tax and a reasonable gratuity, will be reimbursed upon receipt of the following documentation:

- ▶ the name and official capacity of each person attending.
- ▶ a description of the public purpose of the meeting.
- ▶ a receipt showing amount, date and place of the expense.

**Miscellaneous.** The City will reimburse the following expenses if they are itemized, briefly described, and the appropriate documentation attached:

- ▶ **Baggage handling** - no receipt is required.
- ▶ **Personal phone calls** - will be reimbursed when traveling overnight. The total may not exceed the number of nights times \$5.00.
- ▶ **Parking lots** - receipt is required for amounts over \$5.00.
- ▶ **Parking meters** - no receipt is required.
- ▶ **Gas** or other costs for a City vehicle - receipt is required.
- ▶ **Newspapers** - list actual cost, no receipt is required.
- ▶ **Laundry/dry cleaning** - will be reimbursed if a trip lasts five days or more; a receipt must be provided.
- ▶ **Other** - items not mentioned above will be reviewed individually. If the expenses are itemized, documented and explained in a manner that indicates the cost is both reasonable and proper, the City Auditor may approve them for reimbursement.

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### TRAVEL ADVANCES:

When traveling in-state or out-of-state, an employee may request an advance for estimated out-of-pocket expenses through the Treasurer's Travel Contingent Fund.

- ▶ A completed and approved Travel Request Form is required in order to receive an advance.
- ▶ Advances will not be given for pre-payment of registration fees, airfare, room deposit, etc. Such payments should be made directly through the City's normal vendor payment process. An employee should make every effort to request such payment(s) in a timely manner. If the employee does not request the payment early enough, it is the employee's responsibility to pay the cost directly and request reimbursement from the City.
- ▶ Advances will be given within five business days of the employee's scheduled departure date.
- ▶ The minimum advance given will be \$50.00.
- ▶ The employee must return any unused portion of the advance to the City Treasurer within 30 calendar days of returning from a trip. The employee will receive a receipt for any funds returned; this receipt should be attached to the Travel Claim Form, along with a copy of the Travel Request Form.
- ▶ In accordance with IRS regulations, if an employee receives an advance, and fails to report expenses on a Travel Claim Form and/or return the unused portion of the advance within 30 days after returning from a trip, the entire amount of the advance will be treated as taxable income and added to the employee's W-2 form. The employee must then be able to substantiate expenses for the IRS in order to claim a deduction.

### RESPONSIBILITY:

**Employee** - To be informed of all current travel policies and requirements; to secure approval prior to travel; to adhere to all provisions of this policy; to make all necessary travel arrangements and payments; and to complete or provide all appropriate forms and documentation in a timely manner.

**Approving Authority** - To review and approve employee travel in accordance with the provisions of this policy; and to ensure that budgeted funds are available.

**City Treasurer** - To advance funds for travel purposes in accordance with the provisions of this policy; and to notify the Auditor's Office when advances are not returned within 30 days.

**City Auditor** - To ensure that all provisions of this policy are adhered to; and to refuse reimbursement for expenses that are either falsified, undocumented, or otherwise unacceptable.