

# 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:** July 1, 2015

### **I. Purpose**

To ensure that uniform and standard procedures are followed which are consistent, comprehensive and explicit for approving all expenditures and the reimbursements to City employees and councilmembers for travel and business expenses incurred in connection with service performed on behalf of the City of Richmond.

### **A. Authorization and Approval Levels**

Before incurring any expense(s), preapproval is required and mandatory for all City of Richmond employees and councilmembers for the purpose of business travel, training and the travel associated with the training by submitting a completed Request for Travel/Training Form (AP 508-2) with all required approval signatures. An event (i.e., training, workshop, conference, etc.) informational brochure or flyer with detailed information must be attached to the Request for Travel/Training Form (AP 508-2).

#### **1. Employees**

Approvals are as follows:

- a.** Approval for travel/training in California (including within the local Bay Area) or Nevada is to be given by immediate supervisor and the Department Head.
- b.** Approval for travel/training outside of California and Nevada must be approved by the City Manager along with the approvals in (a) above.
- c.** Approval for international travel/training must be approved by City Council along with the above approvals in (a) and (b).

These approvals may be delegated to an authorized designee who shall be at the department or division director level or above. The Travel/Training Expense Report Form for Reimbursement (AP 508-1) and the International Travel/Training Expense Report Form for Reimbursement (AP 508-4), use of determined by ultimate destination of travel, will henceforward be referred to as the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4).

**2. Councilmembers**

All international travel and any travel exceeding \$10,000 is subject to prior approval by the Council and may be placed on the consent calendar of any regular or special meeting of the Council. No City councilmember travel shall be approved without prior submission of the detailed travel itinerary to the Council for approval.

All reimbursable expenses incurred for travel must be reported on the City Council Travel/Training Expense Report Form for Reimbursement (AP 508-5). All councilmembers must provide an informational report to the other councilmembers on any reimbursed travel at the next regularly-scheduled meeting following the completion of such travel.

City of Richmond Mayor and councilmembers must submit a Request for Travel/Training Form (AP 508-2) for any and all travel/training under \$10,000 to the Finance Director for approval.

The Mayor and councilmembers approved Expense and Expenditure Policy of June 14, 2006, an update to Resolution 17-81, outlines all travel funds, expenses, and reimbursements for City councilmembers and takes precedence over this policy for councilmembers only.

**3. City Manager, City Attorney and City Clerk**

Travel and/or training expenses for the City Manager, City Attorney and City Clerk are subject to the approval by the Mayor. City Council approval is required for international travel.

If an employee or councilmember incurs a travel expense without prior authorization as set forth in this Travel Expense Policy and Procedure, and later seeks reimbursement for such expense, such expense may not be reimbursed unless employee or councilmember demonstrates good cause, as determined by required approvers in the Request for Travel/Training Form (AP 508-2).

If an employee or councilmember uses a City of Richmond issued credit card for any travel-related expenses, such expenses shall not be eligible for reimbursement.

**B. Compliance Responsibility**

All employees who attend trainings and/or travels on behalf of the City of Richmond are responsible for understanding and adhering to this policy. Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) will be periodically reviewed to determine compliance with City policy

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and procedure. The Accounts Payable Division is responsible for processing Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) for payment.

Elected officials and employees required to file Form 700 should note that some expenditure reimbursements may be subject to reporting under the Political Reform Act and other laws. All documents regarding agency travel expenditures are public records subject to disclosure under the Public Records Act.

#### **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 in this policy Section I-A Authorization and Approval Levels.

#### **D. Reporting Requirements**

All reimbursable expenses incurred for travel must be reported on the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) within ten (10) business days upon return from travel.

The Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) must have original itemized receipts attached and a copy of the fully executed Request for Travel/Training Form (AP 508-2).

For credit card usage, the original itemized receipts and a copy of the fully executed Request for Travel/Training Form (AP 508-2) must be submitted with the monthly credit card reconciliation along with all other required documentation as outlined in the City of Richmond credit card policies and procedures. For guidelines on City of Richmond credit card policies and procedures, please see the Finance Department's Credit Card manual provided to employees with credit card authorization.

## **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 judgment in the appraisal of the reasonableness of expenses is required by each individual incurring the expenses and the supervisory level approving the Request for

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Travel/Training Form (AP 508-2) and the Travel/Training Expense Report Form for Reimbursement (AP 508-1 and AP 508-4).

Non-business (personal) items are not reimbursable. Employees and councilmembers must pay for items separately and obtain an original itemized receipt for only business items expenses for the purpose of reimbursement. Business expenses, to the extent they are lavish or extravagant, as determined by the applicable approving authority, are not regarded as reasonable and are not reimbursable. If an employee uses a City of Richmond issued credit card for any travel/training related expenses, such expenses shall not be eligible for reimbursement. All reimbursable expenses paid with personal funds must be reported on the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) as outlined in Section I-D Reporting Requirements of this policy.

### **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 San Francisco 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 San Francisco Bay Area counties of 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 by submitting a Request for Travel/Training Form (AP 508-2). All requests to travel outside of the State of California or Nevada but within the continental United States, shall be approved by the City Manager's signature on the Request for Travel/Training Form (AP 508-2). The City Manager shall provide a written report to the City Council of all City travel outside of the State of California or Nevada, but within the continental United States upon request.

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, fax, parking, tolls and other related expenses. Original itemized receipts are required for all expenses. For City of Richmond credit card usage during travel/training, original itemized receipts must be attached to a copy of the fully executed Request for Travel/Training Form (AP 508-2) for submission with the monthly reconciliation. Original itemized receipts for reimbursement of personal funds used to pay for expenses during approved travel/training must be submitted with the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) within ten (10) business days upon return from travel. See Section I-D Reporting Requirements in this policy.

International expenses must be reported on the International Travel/Training Expense Report Form for Reimbursement (AP 508-4) with attachments of original itemized

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receipts for reimbursements of personal funds, a printout of the currency exchange rate that concurs with the date of the receipt, and a copy of a fully executed Request for Travel/Training Form (AP 508-2) within ten (10) business days upon return from travel. The currency rate is available at [www.fiscal.treasury.gov](http://www.fiscal.treasury.gov).

#### A. Transportation

##### 1. Air Travel

Air travel will be arranged and paid by the employee's department with the City of Richmond credit card.

City-approved air travel shall be routed through the airport that is the most practical. City departments shall make their own travel reservations in accordance with Section V Travel Advance of this policy. Every effort should be made to travel at the lowest cost.

The class of air travel shall be coach only. 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 before deciding to drive. The current approved rate will be the prevailing IRS mileage allowance rate available at [www.irs.gov](http://www.irs.gov) or by contacting the Finance Department. For purposes of mileage reimbursement, a printout of an internet map from the employee's City of Richmond assignment site address or home address, whichever is the shortest distance, to the designation of the training round trip to determine number of miles must be attached and submitted with the Travel/Training Expense Report Form for Reimbursement Form (AP 508-1 or AP 508-4). If automobile travel is selected for the employee's convenience, the time beyond normal air travel is not chargeable to the City's time.

The City does not provide primary insurance to protect an employee who uses his/her privately-owned vehicle on City business. No employee shall operate his/her privately-owned vehicle on City business without being in compliance with the provisions of the California Vehicle Code

(CVC) §16050-16058 and meet the minimum requirements of California Insurance Code §11580. Employees shall have proof of financial responsibility in their possession at all times while operating his/her privately-owned vehicle on City business.

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 employee's regular assignment site or home address, whichever is the shortest distance. Therefore, 120 miles should be deducted from the total miles driven per trip when calculating reimbursable mileage. Please refer to Policy Number AP 107 - "Policy on Driving on City Business and Use of City Vehicles."

**3. Car Rental**

When traveling, vehicles should be rented with the company offering the best price. Government rates may be available and should be requested when renting a vehicle. Only compact or mid-size vehicles should be rented. The rental of a vehicle should only be for the approved dates indicated on the Request for Travel/Training Form (AP 508-2).

Employees should purchase the Collision Damage Waiver (CDW) if their own personal insurance does not provide coverage. Employees should purchase additional liability, medical payments and uninsured motorist insurance offered by the rental agency. Employees are covered by Workers Compensation when traveling on business.

Original itemized receipts of all rentals of vehicles must be submitted within ten (10) business days upon return from travel and reported on a Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) along with a copy of a fully executed Request for Travel/Training Report Form (AP 508-2) when the expense was paid with personal funds. Original itemized receipt for payment with the City of Richmond credit card must be attached to the monthly credit card statement reconciliation along with a copy of a fully executed Request for Travel/Training Form (AP 508-2).

**4. Public Ground Transportation**

Taxi, airport limousine, bus, BART or other public transportation expenses incurred for a business-related purpose is reimbursable and must be submitted and reported on the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) with original itemized receipts attached. Payments made with the City of Richmond credit card

must abide by reporting requirements outlined in Section I-D Reporting Requirements in this policy. Prudent business judgment 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**

Meal costs within the following guidelines, as well as normal gratuities and taxes, are reimbursable when incurred while on City business. Original itemized receipts are required for all meal expenses. If a 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. Request separate original itemized receipts for business items for reimbursement from expenses made for personal items. See the Employee Meal and Food Purchase Policy (AP 521). Separate original itemized receipts should also be requested for expenses paid with personal funds to be reimbursed from expenses paid with City of Richmond credit card.

Travelers are expected to consume any meals provided at the trainings, conference, seminar, etc. and employees and councilmembers will not be reimbursed for meals covered by the registration fee.

City of Richmond credit card usage or reimbursements for meal expenses and associated gratuities must not exceed the following rates taken from the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and must be reported and submitted on the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) as outlined in I-D Reporting Requirements or with monthly credit card reconciliation.

Breakfast	\$18
Lunch	\$19
Dinner	\$34
Incidental Expenses	\$ 5

The above rates are effective for the fiscal year 2019 ([www.gsa.gov](http://www.gsa.gov))

The rates are subject to change in accordance to U.S. General Services Administration per diem rates for San Francisco (highest rate) that are set each fiscal year and made available by October 1 of each year. Reimbursements are at the current fiscal year rate of the occurrence of the expense.

**C. Lodging**

Actual lodging expense for accommodations (in suitable quality facilities at the lowest price available) incurred for business purposes is reimbursable. Employees should inquire about and utilize any available discounts and group rates. The Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) is required as outlined in Section I-D Reporting Requirements for all lodging expenses to be reimbursed. The amount reported for lodging expenses should not include meals, personal telephone calls, etc., which should be listed separately in the appropriate sections on the employee's Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4).

Lodging should only be arranged by the department when:

- traveling outside of the Bay Area Counties as outlined above in Section III – Travel Expenses.

OR

- commuting to and from said training is unreasonable or a hardship as determined by Department Head.

Lodging must be approved before incurring the expense.

**D. Non-meal Tips**

Reasonable non-meal tips such as bellhop and shuttle driver are reimbursable and must be reported on the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4).

**E. Telephone/ Fax/WIFI**

All business communications such as telephone, fax, and/or WIFI use for work purposes are reimbursable.

**F. Miscellaneous Travel Expenses**

Expenses that are personal, such as toiletry articles, magazines, etc., are not reimbursable.

**G. Business Meals**

A business lunch or other meal is reimbursable if the meeting is for an actual business purpose with City tenants or potential tenants, suppliers, or other City

business associates. It is the City's policy not to pay restaurant vendors directly for charges incurred by individual City employees or councilmembers. The City employees and councilmembers are responsible for paying the charges directly to restaurant vendors and to obtain reimbursement through the submission of the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) as outlined in this policy (Section I-D Reporting Requirements). Restaurant business meals solely between City employees are not reimbursable. Reimbursement for alcoholic beverages is prohibited. The same guidelines and reporting requirements are applicable when using the City of Richmond credit card for business meals. For more information, see Employee Meal and Food Purchase Policy (AP 521).

**IV. Employee Training Program**

As outlined in the City's Training Policy (AP 309) and Section I-A Authorization and Approval Levels of this policy, attendance at conventions or seminars at the City's expense requires the prior approval on a Request for Travel/Training Form (AP 508-2). Travel expenses relating to employee training must be reasonable, as outlined in Section III Travel Expenses of this policy, including transportation, lodging, and meals not included in trainings, conferences, seminars, etc. The Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) for expenses and detailed explanation of the nature of the expenses are required to be submitted within ten (10) business days upon return from travel.

Payment of convention and seminar registration fees directly to the event sponsor, should be made in advance utilizing procedures as outlined in the following Section V Travel Advance. Also, whenever possible, discounted advance payments for related lodging should be sought and utilized.

**V. Travel Advance**

No blanket per diem will be issued.

The City of Richmond will pay in advance for registration, lodging, and/or airfares. All other expenses paid with the employee's personal funds will be reimbursed after the submittal of a Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) with the appropriate original itemized receipts and information attached.

**VI. Reporting and Reimbursement of Travel Expenses**

All expenditures covered within this policy must be documented on a Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4), 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.

A Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) should be completed and submitted within ten (10) business days after return from any business trip in which expenses were incurred. The Accounts Payable Division will normally process reimbursements within fifteen (15) business days of submission, provided that the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) is submitted with appropriate documentation and approval. The Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) is a fillable form available online. The Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) should cover the travel period and not exceed ten (10) days for submission upon return from travel. Each page must be hand signed in ink by the employee submitting the report.

Each Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) must be submitted with required documentation. Amounts charged to the City credit card must be reported with the monthly credit card reconciliation. Original itemized receipts, a paid invoice, or other documentary evidence should disclose the amount, date, place, and nature of the expenditure and be attached to either the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) or the monthly credit card reconciliation.

**A. Substantiation**

Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) 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.
- c.** Cities or other locations visited.
- d.** Business purposes or nature of the business benefit expected, or business relationship of individuals visited.
- e.** Allocation of transportation and related costs for any portion of the trip that is clearly personal.

**2. Requests for Travel/Training**

All travel/training must be preapproved before incurring expenses by completing a Request for Travel/Training Form (AP 508-2), obtaining required approval signatures, and attaching any and all required documents.

A copy of the fully executed Request for Travel/Training Form (AP 508-2) must accompany the Travel/Training Expense Report Form for Reimbursement (AP 508-1 or AP 508-4) or the City of Richmond monthly credit card statement reconciliation along with all required documentation.

**B. Failure to Comply with Procedures**

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

Under state law, use of public resources or falsifying expense reports is a violation of state law and/or this policy and may result in any or all of the following:

1. Loss of reimbursement privileges.
2. A demand for restitution to the City of Richmond.
3. The agency's reporting the expenses as income to the elected official to state and federal tax authorities.
4. Civil penalties of up to \$10,000 per day and three times the value of the resources used.
5. Prosecution for misuse of public resources.