

ORDINANCE NO. 2009-11

AN ORDINANCE OF THE CITY OF FAYETTEVILLE, TENNESSEE, TO ESTABLISH TRAVEL REIMBURSEMENT REGULATIONS FOR CITY OFFICIALS AND CITY EMPLOYEES CONDUCTING OFFICIAL BUSINESS.

PURPOSE; The purpose of this ordinance and referenced regulations is to bring the city into compliance with *Tennessee Code Annotated* § 6-54-901–907. This law requires Tennessee municipalities to adopt travel and expense regulations covering expenses incurred by “any mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body, and any official or employee of the municipality whose salary is set by charter or general law.”

To provide consistent travel regulations and reimbursement, this ordinance is expanded to cover regular city employees. It is the intent of this policy to assure fair and equitable treatment to all individuals traveling on city business at city expense.

ENFORCEMENT; The chief administrative officer (CAO) of the city or his or her designee shall be responsible for the enforcement of these travel regulations.

TRAVEL POLICY

- A. In the interpretation and application of this ordinance, the term “traveler” or “authorized traveler” means any elected or appointed municipal officer or employee, including members of municipal boards and committees appointed by the mayor or the municipal governing body, and the employees of such boards and committees who are traveling on official municipal business and whose travel was authorized in accordance with this ordinance. “Authorized traveler” shall not include the spouse, children, other relatives, friends, or companions accompanying the authorized traveler on city business, unless the person(s) otherwise qualifies as an authorized traveler under this ordinance.
- B. Authorized travelers are entitled to reimbursement of certain expenditures incurred while traveling on official business for the city. Reimbursable expenses shall include expenses for transportation; lodging; meals; registration fees for conferences, conventions and seminars; and other actual and necessary expenses related to official business as determined by the CAO. Under certain conditions, entertainment expenses may be eligible for reimbursement.

- C. Authorized travelers can request either a travel advance for the projected cost of authorized travel, or advance billing directly to the city for registration fees, air fares, meals, lodging, conferences and similar expenses.

Travel advance requests are not considered documentation of travel expenses. If travel advances exceed documented expenses, the traveler must immediately reimburse the city. It will be the responsibility of the CAO to initiate action to recover any undocumented travel advances.

- D. Travel advances are available only for special travel and only after completion and approval of the travel authorization form.

- E. The travel expense reimbursement form will be used to document all expense claims.

- F. To qualify for reimbursement, travel expenses must be:

- Directly related to the conduct of the city business for which travel was authorized; and
- Actual, reasonable and necessary under the circumstances. The CAO may make exceptions for unusual circumstances. Expenses considered excessive will not be allowed.

- G. Claims of \$5 or more for travel expense reimbursement must be supported by the *original* paid receipt for lodging, vehicle rental, phone calls, public carrier travel, conference fee and other reimbursable costs or per diem rates will be reimbursed.

- H. Any person attempting to defraud the city or misuse city travel funds is subject to legal action for recovery of fraudulent travel claims and/or advances.

- I. Mileage and motel expenses incurred within the city are not ordinarily considered eligible expenses for reimbursement.

TRAVEL REIMBURSEMENT RATE SCHEDULES

Authorized travelers shall be reimbursed according to the Federal travel regulation rates. The city's travel reimbursement rates will automatically change when the Federal rates are adjusted. The municipality may pay directly to the provider for expenses such as meals, lodging and registration fees for conferences, conventions, seminars and other education programs.

ADMINISTRATIVE PROCEDURES

TRAVEL REQUESTS

To ensure reimbursement for official travel, an approved travel authorization form is required. Lack of pre-approval does not prohibit reimbursement, but it does assure reimbursement within the limits of the city travel policy. All costs associated with the travel should be reasonably estimated and *shown* on the travel authorization form. An approved authorization form is needed before advanced expenses are paid or travel advances are authorized. This form must be submitted 1 week prior to the travel time. A copy of the conference program should be attached to the form. If the program is not available prior to the travel, submit it with the reimbursement form.

TRAVEL DOCUMENTATION

It is the responsibility of the authorized traveler to;

1. Prepare and accurately describe the travel;
2. Certify the accuracy of the reimbursement request;
3. Note on the reimbursement form all direct payments and travel advances made by the city; and
4. File the reimbursement form with the necessary supporting documents and original receipts.

The reimbursement form must be filed with the City Administrator within 10 days of return or at the end of the month, whichever comes first.

Transportation

All potential costs should be considered when selecting the modes of transportation. For example, airline travel may be cheaper than automobile when time away from work and increased meal and lodging costs are considered.

When time is important, or when the trip is so long that other modes of transportation are not cost beneficial, air travel is encouraged.

If the traveler goes outside the state by means other than air, the reimbursement will be limited to air fare at tourist or economy class, ordinary expenses during the meeting dates, and one day's meals and motel before and after the meeting. The traveler will be required to take annual leave or comp time for any additional time taken beyond the day before and the day after the meeting dates.

Exceptions: When the traveler extends the trip with personal time to take advantage of discount fares, the reimbursement will be limited to the lesser of the:

1. Actual expenses incurred; or
2. Amount that would have been incurred for the business portion only. The calculations for the business portion of the trip must be made using the least expensive rates available.

A. Air Travel

All expenses and savings associated with extending the trip must be submitted with the expense reimbursement form.

When possible, the traveler should make full use of discounts for advance airline reservations and advance registration. The traveler should request conference, government, or weekend rates, whichever is cheaper, when making lodging or rental car reservations. The city will pay for tourist or economy class air travel. The traveler should get the cheapest reasonable fare and take advantage of discount fares. Airline travel can be paid by direct billing to the city.

Mileage credits for frequent flyer programs accrue to the individual traveler. However, the city will not reimburse for additional expenses — such as circuitous routing, extended stays, layovers to schedule a particular carrier, upgrading from economy to first class — for travelers to accumulate additional mileage or for other personal reasons.

The city will not reimburse travel by private aircraft unless authorized in advance by the CAO.

B. Rail or Bus

The city will pay for actual cost of ticket.

C. Vehicles

Automobile transportation may be used when a common carrier cannot be scheduled, when it is more economical, when a common carrier is not practical, or when expenses can be reduced by two or more city employees traveling together.

1. Personal Vehicle. Employees should use city vehicles when possible. Use of a private vehicle must be approved in advance by the CAO. The city will pay a mileage rate not to exceed the rate allowed by the federal schedule. The miles for reimbursement shall be paid from work office to destination and back by the most direct route or from employee's home if this distance is shorter. Necessary vicinity travel related to official city business may be reimbursed. However, mileage in excess of the Rand McNally (www.randmcnally.com) mileage must be documented as necessary and business-related. If an indirect route is taken, the Rand-McNally mileage table will be used to determine the mileage to be reimbursed.

If a privately owned automobile is used by two or more travelers on the same trip, only the traveler who owns or has custody of the automobile will be reimbursed for mileage. It is the responsibility of the traveler to provide adequate insurance to hold harmless the city for any liability from the use of the private vehicle.

In no event will mileage reimbursement, plus vicinity travel and associated automobile costs, exceed the lowest reasonable available air fare and associated air fare travel costs.

Travelers will not be reimbursed for automotive repair or breakdowns when using their personal vehicle.

2. City Vehicle. The city may require the employee to drive a city vehicle. If a city vehicle is provided, the traveler is responsible for seeing that the vehicle is used properly and only for acceptable business. The employee will be reimbursed for expenses directly related to the actual and normal use of the city vehicle when proper documentation is provided. Fuelman is the City's preferred gas and diesel provider when out of town. Many service stations display the Fuelman sign. Check the internet for the Fuelman stations before leaving on the trip. The station attendant can be checked before refueling. The amount used is discounted and saves City budgets. Out-of-town repair costs to the city vehicle in excess of \$100 must be cleared with the CAO before the repair is authorized.

3. Rental Cars. Use of a rental car is not permitted unless it's less expensive or otherwise more practical than public transportation. Approval of car rental is generally required in advance by the CAO. Always request the government or weekend rate, whichever is cheaper. Anyone who uses a rental car for out-of-state travel must obtain liability coverage from the vendor.

- Fines for traffic or parking violations will not be reimbursed by the city.
- Reasonable tolls will be allowed when the most direct travel route requires them.

D. Taxi, Limousine and Other Transportation Fares

When an individual travels by common carrier, reasonable fares will be allowed for necessary ground transportation. Bus or limousine service to and from airports should be used when available and practical. The city will reimburse mileage for travel to and from the local airport and parking fees, provided such costs do not exceed normal taxi/limousine fares to and from the airport. Receipts are required.

For travel between lodging quarters and meetings, conferences, or meals, reasonable taxi fares will be allowed. Remember, *original* receipts are required for claims of \$5 or more or per diem rates will be paid.

Transportation to and from shopping, entertainment, or other personal trips is the choice of the traveler and not reimbursable.

Reimbursement claims for taxis, limousines, or other ground transportation must be listed separately on the expense form, claiming the destination and amount of each fare.

Lodging

The amount allocated for lodging shall not ordinarily exceed the maximum per diem rates authorized by the federal rate schedule.

- A. If the city reimburses using the federal rates, the Government Services Administration provides guidelines for determining the maximum that can be reimbursed for lodging. These amounts are available on line at <http://www.gsa.gov>. The rates are the maximum reimbursable rates for hotel rooms plus appropriate taxes.
- B. Original lodging receipts must be submitted with the reimbursement form. Photocopies are not acceptable; however, fax copies will be accepted with approval of the CAO.
- C. If a traveler exceeds the maximum lodging per diem, excess costs are the responsibility of the traveler.
- D. If the best rate is secured, and it still exceeds the maximum lodging per diem, the CAO may authorize a higher reimbursement amount.

Even if it costs more, travelers may be allowed to stay at the officially designated hotel of the meeting; however, more moderately priced accommodations must be requested whenever possible. It will be the traveler's responsibility to provide documentation of the "officially designated meeting site" room rates, if these rates are higher than the normal reimbursable amounts.

- E. If two or more city employees travel together and share a room, the lodging reimbursement rate will be the maximum of two single rooms. If an employee shares a room with a non-employee, the actual cost will be allowed up to the maximum reimbursable amount. The receipt for the entire amount must be submitted with the expense form.

Meals and Incidentals

Receipts are not required for meals and incidentals under \$5. The authorized traveler may be reimbursed the daily amount based on the rate schedule and the authorized length of stay. The per diem meal amounts are expected to cover meals, and incidental expenses.

Whether meals may be claimed depends on when the traveler leaves and returns to the official station. The traveler's official station is home or work, whichever produces the least cost to the city. When partial day travel is involved, the current per diem allowance is determined as follows:

| Meal | If departure before | If return after |
|-------------|--------------------------------|----------------------------|
| Breakfast | 7:00 a.m. | 8:00a.m. |
| Lunch | 11:00 a.m. | 1:30 p.m. |
| Dinner | 5:00 p.m. | 6:30 p.m. |

The hour and date of departure and return must be shown on the expense reimbursement form.

The excess cost of an official banquet may be allowed provided proper documentation or explanation is submitted with the expense reimbursement form. If a meal is included as part of a conference or seminar registration, or is included with the air fare, then the allowance for that meal should be subtracted from the total allowance for the day. For example, if a dinner is included as part of the conference fee, the maximum meal allowance for the day should be reduced by the allowed dinner amount.

Miscellaneous Expenses

- A. Registration fees for approved conferences, conventions, seminars, meetings and other educational programs will be allowed and will generally include the cost of official banquets, meals, lodging and registration fees. Registration fees should be specified on the original travel request form and can include a request for pre-registration fee payment.
- B. A \$4 allowance will be reimbursable for hotel/motel check-in and baggage handling expenses.
- C. Laundry and valet service are considered personal expenses and are not reimbursable.
- D. Tips for meals, cab fares, and other transportation, must be documented on the Travel Form. Receipts are not mandatory; however, where practical, tip receipts should be requested. Tips may not exceed normal and customary for the area. (Generally 20% or less is standard)
- E. For travel outside the United States, all expenses claimed must be converted to U.S. dollars. The conversion rate and computation should be shown on each receipt.

Entertainment

The city may pay for certain entertainment expenses provided that this:

- A. Entertainment is appropriate in the conduct of city business;
- B. Entertainment is approved by the CAO;
- C. Group or individuals involved are identified; and
- D. Documentation is attached to the expense form to support the entertainment expense claims.

To request reimbursement for authorized entertainment expenses, be sure to include with the expense reimbursement form:

- A. Required receipts. All requests must be supported by original receipts from the vendor (restaurant, caterer, ticket office, etc.). Reasonable tips and gratuities included on the receipt by the vendor are reimbursable
- B. A disclosure and explanation statement, explaining the purpose of the entertainment and identifying the group and the number of people entertained (or individual names listed if not a recognized group).
- C. Excessive charges will be reviewed on a case-by-case bases.

If the CAO is the person filing the claim, then it must be approved by the Mayor before the finance officer authorizes payment.

TRAVEL RECONCILIATION

- A. Within 10 days of return from travel, or by the end of the month whichever is less, the traveler must complete and file the expense reimbursement form. It must be certified by the traveler that the amount due is true and accurate. Original lodging, travel, taxi, parking and other receipts must be attached.

If the city provided a travel advance or made advanced payment, the traveler should include that information on the expense form. In the case of advances, the form should have a reconciliation summary, reflecting total claimed expenses with advances and city pre-payments indicated. The balance due the traveler or the refund due the city should be clearly shown below the total claim on the form or in a cover memo attached to the front of the form.

- B. If the traveler received a travel advance and spent less than the advance, the traveler should attach a check made payable to the city for that difference.
- C. The CAO will address special circumstances and issues not covered in this ordinance on a case-by-case basis.

DISCIPLINARY ACTION

Violation of the travel rules can result in disciplinary action for employees. Travel fraud can result in criminal prosecution