

# City of San Angelo Travel Expense Policy 2018

## Purpose

This policy establishes guidelines for administering and accounting for travel expenses incurred by those representing the City of San Angelo on authorized travel for City business.

## Administration

All personnel who travel on City business, and managers who approve travel, are responsible for the administration of this policy. All individuals traveling for City business have the option to make travel accommodations using the State of Texas TPASS contract for hotels, rental cars, and airlines at [www.comptroller.texas.gov/purchasing/programs/travel-management](http://www.comptroller.texas.gov/purchasing/programs/travel-management).

Expenses incurred during business related travel are defined in this policy. Proper forms will need to be completed for travel advances as well as settling the travel once the individual returns. It is the responsibility of the individual to reflect all expenditures related to the travel taken on the settlement form including charges on the City p-card within five (5) business days of return. The forms are located on the City's extranet page for use.

## IRS Regulations

The City travel policy must follow specific rules relating to travel expense. As such, this policy is designed to meet all IRS requirements. Therefore, all travelers must adhere to the following three rules:

1. Expenses must be paid or incurred while performing services as a representative of the City of San Angelo and must not exceed the per diem allowed for the destination city.
2. Expenses must be adequately accounted for, and travel settled, within five (5) business days.
3. Excess reimbursement must be returned within five (5) business days.

Failure to follow the procedures in this policy violates the rules under the IRS's regulations, which may result in travel expenses and mileage reimbursements being classified as taxable income.

## Petty Cash Funds

Travel expenses cannot be paid by individual departments out of petty cash funds. **Only public safety employees** are authorized to receive money for emergency travel out of departmental petty cash. Seminars, conferences, etc. are not considered emergency travel.

## Taxes

The City is exempt from sales tax; however, the City is NOT exempt from hotel, restaurant, or rental car tax. If sales tax is paid, it must be reimbursed to the City by either the vendor or the individual.

## Travel Advances

Individuals may obtain a travel advance to assist in the payment of expenses expected to be incurred on travel made for the City. Advances will not be provided to anyone with unsettled travel advances.

Travel advances may be submitted to Accounting up to thirty (30) days prior to the date of travel with the appropriate estimated costs provided as documentation. Individuals who have not traveled previously must also complete a W-9 form and submit it to Accounting. Travel advance requests must be submitted to Accounting by noon on Friday in order to be available the following Wednesday.

**Note: If the individual makes travel arrangements without regard to the time needed to process the advance, the individual must pay for all expenses out of his/her pocket. The individual can seek reimbursement within five (5) business days after the travel by completing the Travel Settlement Form and providing all receipts for reimbursement.**

The advancing of money for travel expenses does not constitute approval for the expenditure of the amount advanced. All expenditures must be authorized items. Travel advances are treated as a debt owed by the individual to the City until an itemized receipt is submitted. Individuals are responsible for the repayment of excess money advanced over the approved expenditures (i.e. advance equals \$100.00, approved expenditures equal \$80.00, individual must repay \$20.00).

#### Travel Settlement

If, upon completion of the trip, the individual owes the City money, payment must be submitted to Water Billing. A receipt will be provided to document the repayment; this receipt must be included in the travel settlement.

Travel settlements must be submitted to Finance within **five (5) business days** after travel is complete. Travel Settlement Forms must document all related travel expenses and include original receipts. However, for items paid by P-card, the original receipts must be given to Purchasing; copies of these receipts are sufficient for travel settlements.

Individuals are responsible for requesting any applicable credits for cancellations, overcharges, etc. and ensuring that the credits are received and included on the Travel Settlement Form.

#### Audit of Travel Advances and Travel Settlements

The Finance department will audit all travel settlements. Individuals with outstanding balances will be contacted by Finance and must account for, or return, the balance within **five (5) business days**.

#### Allowable Expenses

The City of San Angelo will pay expenses incurred in the course of authorized City travel. Individuals shall be entitled to accommodations and services which are reasonable, economical, and meet quality standards for convenience, safety, and comfort. Individuals are expected to exercise good judgment in distinguishing between comfort and extravagance. This is intended as a general guide and is not necessarily all-inclusive. Discretion remains with the individual's supervisor in approving expenses for unusual circumstances. Travel out of state must be pre-approved by the City Manager's Office.

To be reimbursed, reasonable travel expenses must be properly documented, receipted, and approved. Expenses incurred beyond the per diem rate allowed for the destination city of travel

will not be reimbursed. Each individual is responsible for adhering to this policy when incurring expenditures on behalf of the City.

P-cards should not be used to purchase meals and/or fuel during an individual's travel. Fuel cards need to be used for City and rental vehicles. Only personal vehicles are eligible for mileage per diem rates.

### Transportation

#### City Vehicle –

Individuals are encouraged to use City pooled vehicles for out-of-town travel. Those employees with an assigned City vehicle should contact Fleet Services for permission to take their assigned vehicle out of town as it is generally preferred to take a pooled vehicle outside the City limits. Fuel cards are available from Purchasing for the purchase of fuel and are available for use with City and rental vehicles only; p-cards cannot be used for fuel purchases. A copy of all fuel receipts must be attached to the Travel Settlement Form; original receipts must be turned in to Purchasing when the card is returned.

#### Rental Vehicle -

If a City vehicle is unavailable, the individual should consult the TPASS website for pricing on rental cars through Enterprise/National, Avis, or Hertz. If the cost of a rental car exceeds the cost of the current mileage rate, a personal vehicle may be used. Be sure to include the cost of rental insurance if it is not already built into the quoted price. Fuel cards are available from Purchasing for the purchase of fuel and are available for use with City and rental vehicles only; p-cards cannot be used for fuel purchases. A copy of all fuel receipts must be attached to the Travel Settlement Form; original receipts must be turned in to Purchasing when the card is returned. Rental cars must be paid for via City P-card per the existing TPASS contract.

#### Personal Vehicle –

If a City vehicle is not available and a rental vehicle is cost prohibitive, the City will reimburse out-of-town travel at the current mileage rate authorized by the IRS. Travel advances and reimbursements will be based on miles from departure city to destination city plus five percent for "in town" driving at the destination city. Google Maps ([www.maps.google.com](http://www.maps.google.com)) will be used for directions in order to provide accurate mileage.

Fuel and other vehicle related receipts cannot be turned in when requesting mileage reimbursement.

**Note: Employees who receive an auto allowance will only receive a mileage reimbursement for trips in excess of 200 miles (round trip).**

#### Commercial Airline –

Air travel can be utilized for trips when the cost (including local transportation and parking) does not exceed the amount that would be paid for a mileage based reimbursement. Additionally, air travel must be pre-approved by the City Manager when circumstances place time constraints on the traveler. Tickets should be purchased with as much advance notice as possible and only coach accommodations will be allowed to ensure the best price.

A proper receipt that shows dates of travel, destination city, and the method and amount of payment must be submitted with the Travel Settlement Form. An internet reservation printed from a computer is not an adequate receipt of travel expenses. If ground travel is preferred, the individual must provide the cost of airline travel with their travel settlement and will only be reimbursed for the lesser cost of the two modes of transportation unless individual can provide documented travel receipts for rental fees, etc. and receive authorization from the City Manager.

*(Ex: Flight from San Angelo to Washington Reagan costs \$351 with 21-day advance notice and rental car is a total of \$300. Mileage for roundtrip (including 5% in town allowance) would be \$1,933.21. If traveler prefers to drive, they will be reimbursed for the lower cost alternative of \$651- the cost of the flight and rental car.)*

#### Rental Cars or Taxis –

When air travel is used, expenses for rental cars, taxis, or public transportation will be reimbursed if transportation is necessary to conduct City business. Proper receipts must be submitted with the Travel Settlement Form.

#### Lodging

The City will pay for the cost of lodging necessary for out-of-town travel. Luxury/resort accommodations will not be allowed unless the conference is hosted at the resort. Individuals should request a government rate when making reservations and make such accommodations based on the best value for the City. An exit receipt is required from the motel/hotel and must be attached to the Travel Settlement Form.

#### Meals and Incidental Expenses (M&IE)

The IRS defines expenses in this category to include food, beverage, laundry, cleaning and pressing of clothing, and fees/tips for services. Incidental expenses do not include taxicab fares, lodging taxes, or the cost of faxes, telephone calls, or internet charges.

A per diem will be paid for meals and incidental expenses incurred while traveling away from home overnight. Individuals are required to use per diem rates rather than providing individualized receipts for each purchase. Costs of meals and incidentals over the per diem rate will not be reimbursed. Per diem rates are updated each fiscal year.

To determine if a full or partial day applies, consider the start time of the event. For example, an out-of-town seminar in Austin starts at noon Wednesday and runs to noon Friday:

Wednesday's per diem is	\$44.25 (partial day)
Thursday's per diem is	\$59.00 (full day)
Friday's per diem is	\$44.25 (partial day)

Food purchased during daytrips (without overnight stay) is not an eligible travel expense and cannot be turned into the City for reimbursement **due to IRS regulations.**

#### Registration

The City will pay registration fees for an approved conference, seminar, or meeting. If the individual fails to arrange payment prior to the event, they must obtain a receipt in order to be

reimbursed for the expense. The receipt must be attached to the Travel Settlement Form. Entertainment events, such as golf and tennis tournaments priced separately from basic registration, are not allowed.

Spouses or other guests

The City will not pay for, or reimburse the individual for, any travel expenses of his or her spouse, children, or other guests including, but not limited to, registration, activity fees, lodging, meals, etc.

Telecommunications

Phone calls and facsimile communications directly related to City business will be reimbursed. If possible, City-issued phones should be used for communications related to City business.

Other Expenses

Tolls, parking expenses, public transportation, and luggage fees incurred will be reimbursed. Receipts and valid explanation are required. Entertainment expenses and alcoholic beverages are not allowed. For example, tickets to sporting events, concerts, etc. would be considered entertainment and would not be allowed. Parking violations and other traffic tickets are not a reimbursable expense.