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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator
From: Nancy A. Lueck, Finance Director
Date: September 17, 2012
Re: Proposed Travel Policy Update

Introduction and Background:

The City of Muscatine has a Travel Policy governing travel authorization and reimbursement for approved travel expenses by all City employees, members of City Boards and Commissions, and elected officials including the Mayor and City Council members. The City encourages the advancement and enrichment of its employees' professional expertise and technical skills through training and education by attending conferences, workshops and seminars.

Recommendation:

The City's existing Travel Policy has not been updated for a number of years. City staff recently completed a review of this Policy and is proposing updates to clarify specific areas, provide for updated travel costs, and to address specific situations which were not addressed in the existing policy. The proposed changes in the Policy were reviewed with City Council at the September 13, 2012 In Depth Council meeting. These include (1) for out-of-state travel only, allowing for the use of GSA (U.S. General Services Administration) tables for maximum meal costs for specific cities or areas of the country, (2) increasing from \$100 to \$250 the travel costs for the Mayor and Council members that require pre-approval by the Council, (3) clarifying when mileage will be paid for employees receiving auto allowances, (4) specifying the time requirements for submitting requests for travel or mileage reimbursements, (5) prohibiting the use of City credit cards for meal costs if the maximum meal or tip limit is exceeded, and (6) including the City's policy for compensation of travel time for employees that are not exempt from overtime. Other language updates were also made in the proposed updated Policy.

Please include the proposed update to the Travel Policy on the agenda for the September 20, 2012 meeting. Upon its approval, the effective date is proposed to be September 24, 2012.

September 17, 2012 (PROPOSED)

CITY OF MUSCATINE

TRAVEL POLICY

This policy defines the City of Muscatine's position governing travel authorization and reimbursement for approved travel expenses by all City employees, all members of City Boards and Commissions, and elected officials including the Mayor and City Council members. The City encourages the advancement and enrichment of its employees' professional expertise and technical skills through training and education by attending conferences, workshops and seminars. Approved expenses incurred by City personnel involved in attending these activities will be paid by the City in cases where the activity is a direct benefit to the City and where attendance by a City employee or City representative will enhance the employee's job performance or contribute to improving the quality of City services.

1. City employees may perform official travel with the appropriate authorization of the Department Head, Board or Commission (Library Board and Art Center Board of Trustees), and/or the City Administrator, as specified below.
 - a. All out-of-state travel must be approved by the City Administrator or, in the case of the Library and Art Center, the governing board prior to the actual occurrence of the trip. The request for out-of-state travel must state justification for such travel. This form must be completed two weeks prior to travel when a travel advance is requested, or one week prior to travel when an advance is not requested. In all cases where there is pre-registration, an authorization form must be processed before the registration is paid.
 - b. Trips by City employees within the State of Iowa, but outside a 200 mile radius of Muscatine shall be approved by the respective Department Head or, in the case of a Department Head or Commission member, by the City Administrator prior to the occurrence of the trip.
 - c. Travel incurred within the jurisdiction of the City of Muscatine or within 100 miles may be approved on an informal basis and reimbursed utilizing the mileage reimbursement form.
 - d. Attendance at conferences, conventions and meetings within a 100 mile radius shall be limited to the number of persons necessary to cover the meeting adequately. Attendance of more than two employees for state conferences, conventions, and meetings shall require the approval of the City Administrator in advance of the travel. Out-of-state conferences, conventions and meetings shall be limited to one individual unless specifically approved in writing by the City Administrator. Department heads are allowed to attend only one national meeting annually unless special authorization is given by the City Administrator. Additionally, department heads (and other management staff) are allowed to attend only one regional meeting annually, unless specifically approved in writing by the City Administrator.
 - e. Travel, conferences, training and education, and related expenses for the Mayor and City Council members, and Boards and Commission members must be approved for reimbursement by the City Administrator. For the Mayor and City Council members, any travel, registration or related expenses anticipated to exceed a total of \$250.00 for any event, conference, training session, or other activity must be approved in advance by a majority of the City Council members.

2. Transportation costs for employees or Commissioners authorized to travel on official City business shall be paid by the City of Muscatine. Airline (tourist or coach only), first class rail, City car or privately owned automobile, if advantageous, shall be standard means of transportation. When privately owned automobiles are authorized for use, reimbursement for actual mileage will be made with the amount not to exceed the cost of the airline ticket plus mileage to and from the airport. Any request which deviates from the mode of transportation outlined in this section must be approved in advance by the City Administrator.

- a. Under normal circumstances, employees (or their department administrative staff) should make their own travel arrangements for transportation and lodging. If needed, local travel agencies are to be utilized unless advantageous for the City to use other agencies, with the bill being sent directly to the City for payment. Employees are expected to use the most expedient mode of transportation and book economical airfares.
- b. Under certain situations, it may be advantageous for the City to have the employee take advantage of airfares with certain restrictions, i.e. flying mid-week, staying over a Saturday night. In these cases, the employee must discuss various options with the City Administrator in order for the City to consider reimbursement of such costs. Any agreement reached must be in writing and attached to the travel authorization form. Only additional hotel costs and per diem meal costs may be weighed with lower airfare expenses. In all cases City Administrator approval is required prior to travel.
- c. Mileage will be paid to and from the appropriate airport and Muscatine.
- d. Costs for parking either a City vehicle or privately owned automobile will be reimbursed by the City upon presentation of an appropriate receipt.
- e. Taxicab fares will be reimbursed as appropriate.
- f. For in-state travel, a City vehicle shall be used when practical. When travel is by personal vehicle and only if another City car is not used, mileage will be paid for only one trip to and from the meeting. Mileage payment for two or more employees, if necessary, will be granted only upon written request and prior approval of the City Administrator.
- g. For those individuals receiving a monthly auto allowance, payment for mileage incurred by using the employee's privately owned automobile will not be made for travel made within a 150 mile radius. Certain exceptions may be granted upon the written request and prior approval of the City Administrator in advance of the trip. Mileage for travel over the 150 mile radius each way will be paid by the City. This is computed as total round-trip miles minus 300 miles, multiplied by the current mileage rate.

Individuals receiving a monthly auto allowance are expected to use their personal vehicles (not City vehicles) for all travel unless it is more cost-effective to the City for a specific travel destination (e.g. longer trips).

- h. Mileage paid to employees for use of their privately owned vehicles, in accordance with the provisions of this travel policy, shall be 90% of the prevailing federal rate.

Employees submitting requests for reimbursement of only mileage are to complete the Mileage Reimbursement Request form. This form should clearly document the purpose of each trip. Mileage Reimbursement Requests are to be submitted at least monthly.

- i. Rental of a vehicle at a travel destination by any person covered under this policy will not be allowed unless the employee has received prior approval from the City Administrator. Unless proper approval and authorization has been given by the City Administrator for vehicle rental or leasing, reimbursement for expenses incurred will not be paid by the City.
3. In addition to the City paying transportation costs for employees, the City will pay other actual expenses incurred by the employee while on official City business.
 - a. For travel advance purposes, per diem allowances shall be \$5.00 for breakfast, \$6.00 for lunch and \$12.00 for dinner. Per diem allowances include gratuities. **Within two weeks of returning from a conference, employees will reconcile actual expenses to amounts advanced or submit actual expenses if no advance was requested.** Actual meal expense reconciliations may exceed the per diem amounts, **but all meal expenses, as well as all other expenses, must be supported by a receipt.** Receipts are to reflect itemized purchased items, not just charge slips that only reflect totals. Except as provided for in section b and c below, maximum allowable limits for meals shall be: breakfast, \$10.00; lunch, \$15.00; and dinner, \$25.00. If for any reason a receipt is not obtained, an explanation shall accompany the final reconciliation request. No reimbursement of expenses in excess of per diem limits shall be approved without the validating receipts. Special approval by the City Administrator or Finance Director must be obtained for any reimbursement not supported by a receipt.
 - b. For out-of-state travel only, the maximum allowable limits for meals may be increased to those in the GSA (U.S. General Services Administration) tables for specific cities. The GSA table can be accessed at: www.gsa.gov/mie. This table provides individual meal maximums based on meal costs in various locations in the country. The classification and per diem rate for specific cities/states can be found at: www.gsa.gov/perdiem. The per diem rate in this area of the GSA site gives the full daily rate for meals. From that daily rate, employees can then locate the individual meal rates in the www.gsa.gov/mie table. Copies of these tables, as well as receipts, are to be attached as backup documentation for meal costs claimed using the GSA tables.
 - c. The maximum meal expense amounts in section a above can also be exceeded for meals that are part of the conference or meeting. Receipts are to be submitted for these functions.
 - d. The maximum amounts allowed for meals in sections a, b, and c above include gratuities. The City will reimburse up to 15% in gratuities. Gratuities exceeding 15% are to be paid by the employee. If an employee chooses to purchase meals in excess of allowed maximums or tip more than 15%, the meal purchases should NOT be made with a City credit card, but with a personal credit card or cash. The Reimbursement request would then reflect amounts claimed in accordance with this travel policy.
 - e. State regulations prohibit reimbursement for any type of liquor expenses including those associated with meals. The City will not reimburse costs for alcoholic beverages and alcoholic beverages should not be purchased with a City credit card.
 - f. An employee will only be reimbursed for breakfast when the starting time of the trip is before 7:00 a.m. and for dinner if the return is after 6:00 p.m.
4. Also included as reimbursable costs are costs incurred for registration and lodging.

- a. Whenever possible, the employee attending conferences and seminars should pre-register with the City paying the registration fee directly. In those cases where the employee pays for the conference at the time of the conference, the registration fee shall be supported by an authorized statement. A travel authorization form must be completed and be on file in the Finance Department prior to the payment of registration fees.
- b. Hotel/motel costs shall be paid by the City at the single rate only. Any expenses associated with a spouse accompanying an employee will be paid by the employee. The City will reimburse the employee for taxes associated with the cost of a single room. Telephone calls incidental to the performance of business only shall be reimbursable items.
- c. If the starting travel time is prior to 6:30 a.m., the employee, if approved, may begin the trip the day before and be reimbursed for the preceding night's hotel/motel costs and any other incidental costs. Hotel/motel costs at locations within a 50 mile radius of Muscatine must be approved in advance in writing by the City Administrator and attached to the travel authorization form. Requests for these hotel/motel costs must describe the need to stay overnight.

5. Authorized persons on official City travel may request a travel advance prior to the occurrence of the travel.

- a. Requests for advance travel funds shall be submitted at least ten working days prior to the occurrence of the conference or meeting. Advances will be released to the employee the day before actual travel is to begin.
- b. Travel advances will not be made for less than \$50.00.
- c. Advances will be granted for lodging at the single rate, per diem meal allowances, and mileage.
- d. Each employee going to a particular meeting or on certain travel must request a separate advance.
- e. Travel authorization forms must be approved by the City Administrator before registrations, airfare, and travel advances are made.

6. Travel Time: Non-exempt employees who are sent to mandatory training sessions or for a job assignment requiring travel outside of Muscatine shall be compensated (either with wages or compensatory time) under the following guidelines:

- a. Non-exempt employees who travel to another city for the day will be compensated for all hours, including travel time. Meal time may be deducted if it is longer than 30 minutes.
- b. When overnight travel is required, travel time is compensable if it occurs during normal working hours or if it occurs during normal working hours on non-working days. If the travel occurs outside normal working hours, it is not compensable.

According to the Department of Labor, training is considered mandatory when: required by the employer; or when the employee believes that present working conditions, or the continuance of employment, would be adversely affected by not attending.

CITY OF MUSCATINE
TRAVEL AUTHORIZATION PROCEDURES

The items below outline the procedures to be followed when requesting travel authorization, travel expense advances or travel expense reimbursement. The particular forms to be utilized are the Travel Authorization Request Form and the Travel Report Form. The procedures, as defined in the Travel Policy, are as follows:

1. A Travel Authorization Form must be completed and signed by the appropriate Department Head or by the City Administrator and then forwarded to the Finance Department for in-state travel. For out-of-state travel, the City Administrator's signature is also required. In cases where exceptions to the Travel Policy must be preapproved by the City Administrator, the written authorization shall be attached to the Travel Authorization Form. For travel involving Library and Art Center personnel, the respective boards must authorize the travel.
2. When requesting a travel advance, a Travel Report should be filed indicating at the top that this is a travel advance request. Items that may be advanced are listed in the Travel Policy including per diem meal allowances, fuel expense, mileage if applicable and estimated lodging costs.
3. Travel advance requests must be submitted to the Finance Department ten days prior to the date of travel. The approved Travel Authorization Form must accompany a travel advance request.
4. Approved travel advance requests shall be processed by the Finance Department and a check released to the employee the day before actual travel begins.
5. Within two weeks of returning from the trip, the employee must fill out the Travel Report Form indicating that this is an expense reconciliation request. Actual costs incurred must be itemized on this statement with receipts attached. Any expenses claimed without a receipt must be supported by a brief written explanation and receive approval of the City Administrator or Finance Director.
6. The employee and the Department Head both must sign the Travel Report form which provides the reconciliation of expenses. In case of Department Heads, it must be approved by the City Administrator. For Library and Art Center personnel, the respective board's approval is necessary.
7. The Travel Expense Reconciliation Report is returned to the Finance Department where it is matched with the Travel Authorization Form. The employee is to return any excess travel advance funds with the Travel Expense Reconciliation Report. If a reimbursement is required after deducting the amount of the advance, the reconciliation form is processed and a check issued as part of the City's normal check writing procedures.