

CITY OF BOWLING GREEN

Travel Policies & Procedures



COMMUNITY SERVICE GROWTH

Travel Policies and Procedures
City of Bowling Green, Kentucky

Effective: March 15, 2022 via MO 2022-59

Previous updates: October 16, 2018 (MO 2018-207) and October 18, 2016 (MO 2016-230)

1. Authority:

Financial Policy & Procedures, Section IX Travel Policies.

2. Administration:

A. Authority: The Assistant City Manager/Chief Financial Officer (ACM/CFO) is responsible for establishing and administering rules and regulations relative to employee travel, which includes the Board of Commissioners and City volunteers. Any exceptions to the Travel Policies must have written approval by the ACM/CFO. The Accounting Division is responsible for administering the Travel Program. All travel expenses incurred by employees and officials of the City are subject to audit.

- i. Senior Managers may enforce guidelines more strict than found in the Travel Policies, such as requiring employees to share rooms or only allowing one (1) employee to attend an out-of-state conference or meeting.

B. Purpose: All travel must benefit the City of Bowling Green or have a public purpose, and must be documented on the Travel Authorization Section of the Travel Form.

C. Source: The City Travel Policies and Procedures has been developed using the Internal Revenue Service (IRS) regulations (Publication 463 and 535) as its primary framework. Meal and incidental expenses, see sections 4.F and 4.G, are based on rates published by the U.S. General Service Administration (GSA) for domestic travel in the continental U.S. For Alaska, Hawaii, and U.S. Territories and Possessions, the per diem is based on rates published by the U.S. Department of Defense. For International travel, the per diem is based on rates published by the U.S. Department of State, see section 4.D.

The travel payment methodology used throughout this Policy is defined as an accountable plan. By definition, an accountable plan assumes the following IRS criteria have been met:

- All expenses were incurred while on City business,
- Expenses must be adequately accounted for in a reasonable timeframe, and
- All excess payments or advances must be returned in a reasonable timeframe.

D. Travel Time: The Personnel Policy Manual, Section 2-4.10, directs that actual travel time (door to door) is considered time worked whether or not as a passenger or overnight trip. Eligible business-related time shall be limited to time spent in legitimate learning and conference sessions. Meals, voluntary activities, and/or before/after hour social events are not compensable. Non-exempt personnel shall receive overtime (paid or compensatory) at time and one half after forty hours worked or travel time. Exempt personnel shall receive compensatory leave for eligible travel time.

3. Authorization and Processing Forms:

The City's travel program consists of one form with three (3) sections as follows:

A. Travel Authorization Section: Each trip by a City employee with any expense must be authorized in advance by the Senior Manager, or their designee. The employee must complete this section and gain authorization to travel prior to departure. Senior Managers and/or the City Manager may require the traveling employee to include documentation of the estimated trip cost, including registration, lodging and per diem expenses. In an instance of emergency travel when an employee is unable to complete the Travel Authorization Section prior to departure, notification via email will suffice.

- i. Pre-notification is NOT required for one-day trips without overnight travel and other travel *without* requested advances. If upon return reimbursement is desired, the authorization section of the travel form must be completed and approved prior to payment. Senior Managers may require completion of the Authorization for all travel requests at their discretion.
- ii. Reimbursement of costs paid by the City for employee training and travel will be pursued from employees who leave employment within 90 days of return from training with a registration cost greater than \$1,000 per the Personnel Policy and Procedures Manual, Section 3-4.6(b). The repayment to the City will be pro-rated based on the number of days from the date of return to the last day of employment.

B. Travel Advances, Prepayments & Expense Report: This section must be completed by the traveling employee when prepayment of travel expenses such as airfare, lodging and per diem meals is requested. The form must then be reviewed and approved by either the Senior Manager or designee and submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. Documentation of the conference or meeting supporting per diem or other requests must be included and verified by the appropriate Senior Manager or designee. The traveler's department will process all advances, prepayments and expenses. The Accounting Division's role is to check for accuracy, compliance with the Travel Policy, and to review prepayments and advances.

C. Travel Expense Reconciliation Section: This section must be completed by the traveling employee with all appropriate receipts and other supporting documentation attached and filed with the Accounting Division within five (5) working days following return from the trip. The Accounting Division will determine if additional payments will be issued or if refunds are to be collected by the City for overpayment.

- i. Receipts documenting travel expenses will be accepted in original, electronic or copied versions. Documentation of conferences must include an agenda or similar that outlines the timeline and details provided meals.

D. Working days are defined as regular City business days from Monday through Friday, excluding Holidays defined in the Personnel Policy. For example, five (5) working days prior to a Friday departure or desired payment date is the previous Friday and five (5) working days prior to a Saturday departure is also the previous Friday.

4. Explanation of Travel Expenses:

A. Airfare: The City will pay for the actual cost of coach/economy fare for the employee and if a special conference rate is offered, it should be taken. The City will not cover the expense of any advance or priority boarding passes. Travelers should make every effort to book air travel at least 30 days in advance after travel authorization has been given to obtain the best fares. Charges for mileage and parking may be considered in determining the lowest and most appropriate transportation method. This expense may be prepaid by the City, purchased with a City procurement card, or advanced to the employee (when appropriate) if the request is completed and approved at the departmental level and submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. RECEIPTS are REQUIRED.

- i. The City will cover the cost for one (1) checked luggage with the airline for date of travel and return date of travel. Any additional checked luggage will be at the discretion and sole expense of the employee. Any exceptions must be approved by the ACM/CFO in advance of travel and require written documentation from the Senior Manager explaining the business reason for additional checked luggage.

B. Fuel cost/City vehicle: The City will pay for the cost of fuel, additives, and any repairs to a City vehicle. To assist the Fleet Management Division in maintaining accurate vehicle records, RECEIPTS are REQUIRED and the mileage form should be completed, except when fueling from an authorized ComFuel location. The mileage form shows the location where fuel and/or services were obtained, the name of the service provider, the odometer reading, gallons of fuel purchased, type of additives purchased, and/or a full description of any and all repairs. A reasonable advance can be made to an employee (when appropriate) if the request is completed and approved at the departmental level and submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date.

C. Incidental expenses: Are defined as expenses for fees and tips for meals and transportation. For example tips given to taxi drivers, porters, baggage carriers, and hotel staff and are included in per diem rate advanced to traveling employees. Travelers will not be reimbursed separately for these items. NO RECEIPTS REQUIRED.

D. International travel: International travel in North America and outside the U.S. is allowed as approved by the appropriate Senior Manager. Any other international travel locations require prior approval by the City Manager before any expenses are incurred. All travel guidelines and procedures outlined in this policy for domestic travel will be followed for international with the exception of:

- i. Employee(s) traveling to an international destination will receive meal per diem allowances, but the foreign per diem allowance is established by the State Department and is found at <http://aoprals.state.gov>. NO RECEIPTS REQUIRED.
- ii. Currency exchange conversion fees for business related expenses will be reimbursed. RECEIPTS REQUIRED.

E. Lodging: The City will pay for single occupancy lodging for the employee. Traveling employees should check for special rates, such as a conference rate or governmental rate, and use if available. This expense is eligible for advance funding if the request is submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. A confirmation from the lodging establishment with a quoted cost is required to receive an advance. Additional lodging costs incurred for non-employee guests are not the City's responsibility. RECEIPTS are REQUIRED.

- i. If more than one (1) employee is traveling to the same destination, the Senior Manager may require double or triple occupancy lodging to save on costs to the City versus a single occupancy lodging for each employee.
- ii. For lodging within Kentucky and with use of a City procurement card, the employee or POE is required to provide the City's tax exempt documentation at check-in or advance of stay to the establishment to avoid being charged State sales tax.
- iii. The lowest cost and most appropriate lodging should be utilized by employees traveling on City business. Hotels with resort fees should be avoided. Short term or vacation rentals are allowable, if the cost is in line with hotels in close proximity of the conference or convention. If a vacation rental is utilized, documentation of hotel costs near the conference is required at time of booking the rental. Any costs exceeding estimated hotel expenses will be the responsibility of the employee(s) and will not be reimbursed by the City.

F. **Meal per diem allowance:** A meal per diem allowance is mandated for City employees traveling overnight. The per diem allowance used for travel destinations within the Continental United States (CONUS) is established by the General Services Administration (GSA) and published at www.gsa.gov/perdiem, an updated copy will be available online at all times. The per diem allowance received by employees is contingent upon the destination city/county of travel as specified by the GSA. The per diem rate will be based upon the location of conference or business meeting. Per diem allowances for travel to Alaska and Hawaii will be based upon the rates schedules maintained by the Department of Defense.

- i. Expenses included in the per diem rates include meals and incidental expenses; see Section 4(C) for information on incidental expenses. No additional amount above the federal rates identified will be reimbursed.
- ii. **Procurement card usage for meals is restricted, with the exception of the defined business related meals.** Employees will be provided a cash advance based upon the guidelines above and should utilize those funds for meals and incidental expenses. However, a business-related meal is one where a City employee conducts business; the reason for the business meal must be properly documented before reimbursement will be authorized. Business related meal tips are capped at 20% of the cost of the meal; any tip exceeding that amount will be reimbursed to the City by the traveling employee. For example, an employee may use a dinner meeting with a city official from another town to discuss a common problem and its solutions. The City employee of Bowling Green would use a city provided procurement card or personal credit card for his/her meal and the meal of their associate. If per diem for the business-related meal was advanced, the employee is responsible for refunding the advanced amount in the travel reconciliation.
- iii. Employees will receive a pro-rated per diem allowance on both the day travel begins and the day travel ends. The rate will be based upon the employee's departure and return time, as well as the destination city/county, according to the schedule below:

Overnight Travel (*first & last day only*)

<u>Time Schedule</u>	<u>Meal</u>	<u>Rate</u>
Leave before 7:30 a.m.	Breakfast	<i>Based upon</i>
Leave before 11:00 a.m. and return after 1:00 p.m. Return after 7:00 p.m.	Lunch Dinner	<i>federal per diem schedule</i>

- iv. The traveling employee is required to complete the travel form, provide detailed information relating to the trip, receive prior approval from a Senior Manager or designee, and submit all documentation to the Accounting Division at least five (5) working days prior to departure. Upon return, the employee is responsible for the reconciliation of advances received and reimbursements due. The completed and approved reconciliation is due to the Accounting Division within five (5) days of return. The City will not honor a request for a meal per diem allowance for any meal that is included in a registration fee for a conference, seminar, or other meeting. The City will allow breakfast per diem allowances for continental breakfasts; however, if the hotel registration includes breakfast, beyond continental, no per diem will be provided for such mornings. **NO RECEIPTS REQUIRED.**

G. Meal / gratuity cost for one-day trips: The City will provide employees traveling for one day with funds for meals based upon the federal per diem rates. The City will offer a cash advance to employees for this expense based upon the time of departure and return and the federal per diem rate associated with the destination city/county, the table below outlines the time constraints.

One-Day Trip Time Schedule

	<u>Meal</u>	<u>Rate</u>
Leave before 7:30 a.m.	Breakfast	<i>Based upon federal</i>
Leave before 11:00 a.m. <u>and</u> return after 1:00 p.m.	Lunch	<i>per diem schedule</i>
Return after 7:00 p.m.	Dinner	

- i. Senior Managers, supervisors, and/or designees are required to approve and confirm the reconciliation of each instance of one-day trip per diem advances. The City will not honor a request for a per diem allowance for any meal that is included in a registration fee for a conference, convention, seminar, or other meeting. The City will allow breakfast per diem allowances for continental breakfasts. **NO RECEIPTS REQUIRED.**
- ii. According to the IRS, employees will incur a tax liability for meals reimbursed by the City for one-day travel; the applicable taxes will be withheld quarterly through the payroll process. In order for a reimbursement of meals to be excludable from income, employees must travel "away from home". The statutory phrase "away from home" has been interpreted by the U.S. Supreme Court *to require a taxpayer to travel overnight, or long enough to require substantial "sleep or rest"*. Thus, working overtime or at a great distance from Bowling Green does not create excludable reimbursements for travel expenses if the employee returns home without spending the night or stopping for substantial "sleep or rest".

H. Miscellaneous expenses: On occasion, an employee may encounter expenses related to a meeting, such as telephone calls for official business, toll charges, copy and fax charges, internet access, and other business related expenses. Miscellaneous expenses in this category are reimbursable to an employee upon presentation to the Accounting Division of adequate documentation to support the cost(s). Employees may request an advance for estimated miscellaneous expenses, but must receive approval by the Senior Manager or a designee and submit the request on the travel form to the Accounting Division at least five (5) working days prior to departure or desired payment date. Advances in excess of documented expenses for miscellaneous costs will be returned to the City upon reconciliation. Receipts and reconciliation are expected to be completed within five (5) working days after return. RECEIPTS are REQUIRED.

I. Mileage rate allowance: The City encourages use of City vehicles for official travel when feasible. However, when a City vehicle is not available, an employee may request a mileage allowance for his/her personal vehicle at the mileage rate set by the Internal Revenue Service.

- i. The IRS based standard mileage rate will be made available as new rates are announced.
- ii. The City will provide reimbursement for actual mileage using the most direct roundtrip route beginning at the employee's place of City assignment or City office. This expense may be advanced to the employee (when appropriate) if the request is submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. NO RECEIPTS REQUIRED.
- iii. The traveling employee may request a mileage allowance of an additional ten (10) miles to the roundtrip route total for miscellaneous business related mileage while in the destination travel city. This allowance will be paid at the current IRS standard mileage rate and no documentation is required. NO RECEIPTS REQUIRED. The additional ten (10) miles will only be honored when a personal vehicle is used to travel to the end destination. The additional mileage reimbursement will not be honored when a personal vehicle is used to travel to the airport. If reimbursement for mileage greater than ten (10) miles is requested, documentation of mapped routes must be provided.
- iv. Mileage will only be reimbursed when the traveling employee drives their personal vehicle.

J. Parking: Parking costs include expenses incurred at an airport, hotel, and/or pay-per-use lots. The City will cover the cost of economy or lowest cost parking; costs for valet or short term parking at the airport or a hotel are not eligible for reimbursement and any overage above the economy or lowest cost parking are the responsibility of the traveling employee. A reasonable amount to cover this expense may be advanced to the employee (when appropriate) if the request is submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. Receipts and reconciliation are required upon return. RECEIPTS are REQUIRED.

K. Registration fee: The City will pay for actual registration fees. A copy of the program or agenda, indicating cost covered by the registration fee, must be submitted with the employee's travel form. The employee must complete a reconciliation of actual and advanced dollar amounts; any excess reimbursements are to be returned to the City within five (5) working days of return. RECEIPTS are REQUIRED.

L. Rental car expense: The City encourages the use of public transportation or rideshare/taxi services in-lieu-of car rentals for employee travel; however, the City will pay for the actual cost of an economy rental car, or appropriate sized vehicle for authorized business purposes when justified. Car rentals are discouraged when an employee is lodging at an official conference hotel. Car rental insurance should not be purchased; this is covered by existing City insurance policies. The fuel expense for a rental car is to be in line with the per gallon price of fuel at a traditional gas station in the area of travel. Any expense in excess of the average per gallon fuel price is the responsibility of the employee and any difference shall be reimbursed to the City. The expense of the actual rental car may be advanced to the employee if the request is submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. RECEIPTS are REQUIRED.

M. Ridesharing / taxi / transit fares: The City will pay for the reasonable and actual cost of ridesharing, taxi, or transit incurred by the employee for travel from the airport to the employee's lodging establishment, from said establishment back to the airport, and roundtrip transportation to off-site meetings or events. Other uses must be justified and documented. Tips for transportation expenses are covered by the per diem incidental rate. Personal use is not reimbursable. A reasonable amount to cover this expense may be advanced to the employee (when appropriate) if the request is submitted to the Accounting Division no less than five (5) working days prior to departure or desired payment date. Receipts and reconciliation are required upon return. RECEIPTS are REQUIRED.

N. Other expenses: See Miscellaneous Expenses, Section 4(H). The City will consider the eligibility of all other expenses not previously mentioned, on a case-by-case basis, with written request provided by the Senior Manager to explain the business reason. Approval by the ACM/CFO and documentation of the expense(s) is required.

O. Un-allowed costs: The City will not be responsible for valet or priority parking, personal expenses, dry cleaning, mini-bar, pay-per-view movies, priority boarding cost or other amenities offered by airlines, hotels, and/or motels. COST NOT ELIGIBLE.

5. Allowance In-Lieu-Of Airfare:

An allowance in-lieu-of airfare may be requested by an employee. The basis for determining the allowance will be handled by the Senior Manager or designee and submitted to the Accounting Division as follows:

A. The cost of airfare should be solicited from at least two sources (any combination of travel agent, internet, etc) quoted on reservations being made at least 21 days prior to the date of departure, plus any reimbursable miscellaneous fees detailed in Section 4, such as roundtrip mileage to the airport, parking fees and taxi expense.

B. The cost of estimated mileage will be based on the current mileage rate in use by the City at the time of the determination and the number of roundtrip miles from the employee's place of assignment or office to the point of destination. The most direct route must be utilized.

C. The allowance will be based on the calculated cost of (A) or (B), whichever is less.

D. Once determined, this allowance is intended to cover all costs incurred by the employee that would not normally be involved with the trip had the employee flown to the desired destination.

E. Alternate forms of transportation will be considered, but the City will only reimburse the employee for the amount of the lowest all-inclusive option. For example, if an employee chooses to drive a long distance while airfare and the applicable expenses are less costly, the employee would only be reimbursed for the cost of airfare and the associated expenses.

6. Educational Travel:

If the employee is traveling for an extended period of time, normally equal to or exceeding two consecutive weeks and the travel is related to the employee's education and/or training program directly related to his or her position with the City, the Senior Manager or designee and the employee may agree to a negotiated allowance for various travel related expenses. Unless listed below, eligibility of actual expenses incurred by the employee shall conform to the provisions previously referenced herein:

A. Home visits: The employee will be allowed one trip home following completion of each consecutive two-week period. Cost of this allowance will be based on information obtained by the Accounting Division relative to potential airfare, or estimated mileage rate allowance for the employee's use of his or her personal vehicle, whichever is less; or the actual transportation cost incurred for the use of a City vehicle. Home visits are elective and the corresponding travel time is not compensable as wages.

B. Meals/gratuity: The employee will be provided with funds according to the per diem schedule for meals and incidental charges not included in the registration fee for the educational curriculum, or school.

C. Other expenses: Other expenses incurred while on educational/extended travel will be reimbursed based on an itemized list approved by the respective Senior Manager or designee. Each City employee considering education or school travel should consult with their supervisor and the Accounting Division as early as possible to determine the documentation requirements relative to costs and expenses that will be incurred by the employee and paid for by the City.

7. Elected Official and City Manager Travel:

Elected Officials and the City Manager are required to submit a completed travel approval form, signed and dated by self, to the designated administrative staff member at least five (5) days prior to departure if an advance is desired.

All guidelines stated in the Travel Policy are applicable to the Elected Officials and City Manager, except as noted above with the Approval Authorization form.

Actual travel expenses, totaling at least \$25, reported by the Mayor, City Commissioners, and City Manager are required to be presented, after the fact, for approval by Municipal Order of the Board of Commissioners. All such travel expense information provided to the Accounting Division shall be verified and submitted by the ACM/CFO to the City Clerk's office for preparation of the Municipal Order.