

	CITY OF GIG HARBOR – POLICIES AND PROCEDURES		
TITLE: TRAVEL POLICY			
POLICY MANUAL SECTION & NO.	EFFECTIVE DATE: 12/10/18	APPROVED:	
A-18-02	REVISED DATE:		

1. PURPOSE

To establish policies and procedures regarding official travel on City business and to further outline valid business expenses for which an employee may qualify for payment or reimbursement.

City officials and employees who may claim reimbursement for expenses under this policy, must be given prior authorization by their department director, City Administrator and/or Mayor to conduct official city business which includes: meetings, training sessions, conventions, and conferences. Individuals should always be able to explain how the City benefited from any expense it paid.

Individuals have the responsibility for becoming knowledgeable about authorized expenditures and documentation requirements. Individuals are expected to make choices that demonstrate good stewardship of City resources; spending decisions that are not extravagant or lavish and are considered ordinary and necessary to accomplish the official business purpose of the trip.

2. REFERENCES

RCW Chapter 42.24, Gig Harbor Municipal Code, and Internal Revenue Service (IRS) regulations.

3. DEFINITIONS

- A. *Commute.* Travel between the official residence of the employee and their official station.
- B. *Eligible Meals.* Meals which meet the IRS qualifications for a non-taxable reimbursement to an employee in travel status. This generally requires an overnight stay.
- C. *Incidental Expenses.* Fees and tips given to porters, baggage carriers, hotel and restaurant staff, flight attendants, and others for personal services performed. This may also include, but not limited to, room service, phone calls from hotel rooms and internet fees. This is not a miscellaneous expense.
- D. *Ineligible Meals.* Meals which do not meet the IRS qualifications for a non-taxable benefit. Although these meal reimbursements may be allowed by City policy, they must be reported to the IRS as taxable fringe benefits.

- E. *Lodging*. Expenses for overnight sleeping facilities. This does not include accommodations on airplanes, trains, buses, or boats, which are included in the cost of transportation.
- F. *Official City Business*. Activities performed by a City employee as directed by his or her supervisor in order to accomplish City programs or as required by the duties of his or her position or office.
- G. *Official Station*. The location where the employee's office is located, or the location where the employee's work is performed on a permanent basis.
- H. *Reimbursement*. Can also be interpreted to mean "paid for by the City." Eligible expenses need not necessarily be reimbursements to the individual, they can be expenses paid by the City directly to the vendor.
- I. *Residence*. The primary residence where the traveler lives, regardless of mailing address. Examples include the location, based on items such as voter registration, ownership, or long-term rental of a personal residence, and the permanent address listed in the employee's personnel file.
- J. *Travel Authorization Form*. Official City form used to obtain authorization for travel. See attachment A. This form is provided on the City intranet in a fillable format.
- K. *Travel Expense Voucher*. Official City form used to obtain reimbursement for authorized travel expenses and/or to document expenditure of travel advance funds. See attachment B. This form is provided on the City intranet in Excel format.
- L. *Travel Status*. The official status of a traveler when the traveler is away from both the official residence and the official station, exclusive of commuting between the traveler's official station and official residence, on City-related business. The IRS defines this as a time when your duties require you to be away substantially longer than an ordinary day's work, and you need to sleep or rest to meet the demands of your work while away from home. (In almost all cases, this means an overnight stay is involved.)
- M. *Traveler*. A person in travel status who is on official City business.

4. POLICY AND PROCEDURES

- 4.1 **Policy Overview.** It is the policy of the City of Gig Harbor to reimburse elected and appointed officials, employees, and members of the boards and commissions for their reasonable expenses actually incurred in the conduct of business for the City. Generally, eligible expenditures include travel and living costs incurred by the individual while away from the City and necessitated by City business. Reimbursement for such necessary and reasonable expenses will be made subject

to the rules herein by application and upon compliance with this policy and with Chapter 42.24, Revised Code of Washington and Department of Labor Wage and Hour Division.

4.2 Travel Authorization. All requests for travel or training shall be submitted and approved on a Travel Authorization Form prior to incurring any travel-related costs. All anticipated costs should be listed on the form, whether the costs are known or reasonably estimated. If assistance is needed in determining allowable rates, completing forms, etc., Accounts Payable staff will provide the necessary direction. If applicable, conference or training registration documentation that indicates the purpose, dates and times of the conference, training or meeting, and details of what is included with registration must be attached.

4.3 Approvals. Travel Authorization Forms and Travel Expense Vouchers shall be signed for approval as noted below:

- A. Council – approved by the Mayor or Mayor's designee.
- B. Mayor – approved by the Finance Director and City Administrator.
- C. City Administrator – approved by the Mayor.
- D. Department Director – approved by the Mayor or Mayor's designee.
- E. Other employees – approved by the direct supervisor or Department Director.
- F. All overnight travel – approved by the Mayor or Mayor's designee.

Any travel outside of the State of Washington requires the pre-approval of the Mayor or Mayor's designee.

4.4 Responsibilities of travelers. An employee on official City business is responsible for:

- A. Making sure the travel expenses are considered ordinary and necessary to accomplish official City business.
- B. Being familiar with City travel and transportation guidelines prior to traveling.
- C. Securing preauthorization for travel from department director or City Administrator.
- D. Securing preauthorization for overnight travel by the Mayor or appointee.
- E. Incurring and reporting actual travel expenses in a responsible and ethical manner.

- F. Using the most economical and commonly used mode of transportation taking the most direct route, unless otherwise justified.
- G. Making choices that demonstrate good stewardship of City resources; spending decisions will not be extravagant or lavish.
- H. Exercising the same care in incurring expenses and accomplishing the purposes of the travel that a prudent person would exercise if traveling on personal business. Any excess costs, indirect routes, delays, or luxury accommodations unnecessary or unjustified in the performance of official City business travel are not reimbursable. Paying any non-reimbursable costs or denied travel expenses.
- I. Paying any unauthorized expenses incurred for personal preference or convenience.
- J. Returning as promptly as possible to either the official station or official residence when the City business is completed.
- K. Preparing the Travel Expense Voucher within 10 days of return from travel and providing appropriate receipts and documentation.
- L. Understanding that all travel expenses will be reviewed and approve/denied in accordance with City policy and business practices.

- 4.5 **Advance Travel Arrangements Required.** All travel arrangements, including but not limited to, airline reservations, hotel reservations, conference registration, etc., shall be made in advance to take advantage of any available discounts and to avoid paying premium rates.
- 4.6 **Travel Status Limitations.** An employee may be considered to be in "travel status" when the area of travel is more than 50 miles one way (most direct route) from your official station; or if the commute would extend the work day more than one and one-half hours beyond the normal work hours.
- 4.7 **Health and Safety of Travelers.** The health and safety of travelers is a top priority in the conduct of travel related activities. It may be necessary to alter travel plans and itineraries in consideration of hazardous or inclement weather and other situations that could threaten the health and safety of City employees. When this occurs, travelers should:

- A. Promptly notify the traveler's supervisor of the change in travel plans.
- B. Note the reason for any additional expense on the traveler's travel expense voucher.

4.8 **Excess Travel Time.** Any excess travel time which is brought about by the employee's choice of transportation or other personal reasons will be charged to the employee as vacation time unless otherwise justified.

4.9 **Excess Travel Expenses.** Any excess travel expenses which are brought about by the employee's personal activities are the responsibility of the traveler. Only authorized travel expenses directly related to City business are allowed.

4.10 **Passengers.** Time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, boat, bus or automobile will not be considered as time worked. If assistance is needed to determine what constitutes as hours worked, Human Resources will provide necessary direction based upon Department of Labor's regulations and guidance.

4.11 **Travel Expense Voucher.** All travel expenses shall be submitted to the Finance Department within 10 days of return from travel on a Travel Expense Voucher. If assistance is needed in determining allowable rates, completing forms, etc., Accounts Payable staff will provide the necessary direction. Original, itemized, paid receipts are required for all expenses. The Travel Authorization form, including conference or training registration documentation that indicates the purpose, dates and times of the meeting, and details of what is included with registration must be included with the reimbursement request. An agenda should be attached if one was provided at the conference or training.

4.12 **Individual Expense Reimbursements.** Except for lodging where individuals share the same room or transportation conveyance (cab, rental car, etc), each individual seeking reimbursement must incur his/her own expense and request reimbursement on his/her own Travel Expense Voucher. If lodging accommodations, transportation or meals are shared between two or more employees, the portion of the billing for all such employees may be submitted by the employee paying the bill and will need to be itemized with each employee's actual expenses prior to submittal. The Travel Authorization Form must be attached to the Travel Expense Voucher when a reimbursement request is submitted.

The person requesting reimbursement will be responsible for payment of expenses that were incurred without prior authorization and subsequently determined not to constitute an emergency.

4.13 **Registration.** Registration and mandatory course related materials should be prepaid through the City credit card or accounts payable. Registrations shall be made in a timely manner to take advantage of early registration discounts. If a check is to be processed, the request for payment shall be submitted in sufficient time to process the registration with regular accounts payable procedures. If it is not possible to prepay registration fees, receipts must be submitted for reimbursement or for documentation of advance funds received.

4.14 **Transportation.** Actual costs for bus travel, train travel, taxi, tolls, car rentals, parking fees and air travel are eligible, provided all air travel shall be by coach class.

Payment for air travel shall be at actual cost from Sea-Tac Airport to destination and return. To take advantage of available discounts and avoid paying premium fares, travel arrangements shall be booked in advance.

- A. Employees choosing to use a personally owned vehicle to travel on City business will be reimbursed at the Internal Revenue Service rate, provided payment will not exceed coach class airfare to and from the same destination.
- B. When a City-owned vehicle is used to travel on City business the employee shall secure a City credit/purchasing card and use such for purchases of gasoline, oil, emergency repairs, etc. whenever possible.

4.15 Privately Owned Vehicles – Mileage Reimbursement. If available, a City vehicle should be used for employee travel. If an employee must use a personally owned vehicle, mileage will be reimbursed at the Internal Revenue Service rate, provided payment will not exceed coach class airfare to and from the same destination.

Daily commute transportation expenses between the employee's official residence and official station is a personal obligation of the employee and is not reimbursable by the City. All other miles driven on official City business are reimbursable. Employees may be reimbursed for miles driven between their official station or official residence and a temporary duty station, whichever is shortest.

Example: An employee's home is in Port Orchard and official station is in Gig Harbor. The employee travels from home directly to training in Olympia. After training the employee goes by the office in Gig Harbor to do some work before returning home. The miles driven between Port Orchard and Gig Harbor are considered the normal commute and therefore are not eligible for reimbursement, even if the employee does not stop at the office on the way to Olympia. However, the miles driven between the work/training locations (from Gig Harbor to Olympia) are reimbursable.

4.16 Lodging. Payment for lodging is only allowed when employee is in overnight travel status. The actual cost of commercial lodging facility accommodations is eligible for payment or reimbursement up to the maximum lodging rate allowed (excluding tax) for the area of travel as established by the Office of the General Services Administration (GSA). The most current maximum lodging rates can be found at the following web address: <http://www.gsa.gov> under "Per Diem Rates." The Mayor or Mayor's designee may, at his/her discretion, authorize higher rates or may require traveler to find lodging at a rate lower than that published at the aforementioned reference. If a family member or guest accompanies the employee, the employee shall pay for the additional amount over that of a single accommodation. The single accommodation rate must be noted on the hotel/motel bill submitted.

4.17 Meals. Individuals on travel status may be reimbursed for meal expenses. For meals purchased at grocery a store or deli, the City will only reimburse prepared meals. The City will reimburse eligible meals up to the rate authorized by the

Washington State Office of Financial Management that are in effect at the time of travel. Meal rates include taxes, tips and incidental expenses.

The most current meal rates can be found at the following link:
<https://www.ofm.wa.gov/sites/default/files/public/resources/travel/colormap.pdf>.

In addition, the employee must be in travel status for the entire City-defined meal period to be eligible for payment of a particular meal expense. Meal periods are defined as follows:

Breakfast:	6:30 AM – 7:30 AM
Lunch:	12:00 PM – 1:00 PM
Dinner:	5:00 PM – 6:00 PM

Individuals may not stop for a meal or depart earlier than necessary just to meet the meal period requirement.

A meal does not include a complimentary meal served on an airline, or a “continental breakfast” which normally consists of pastries, juice and coffee.

4.18 Meals Reported as Taxable Benefits. Meals paid for/reimbursed by the City which do not meet the IRS definition of a travel status meal (generally requiring an overnight stay) will be reported to the IRS as taxable fringe benefits to the employee consistent with IRS rules.

4.19 Laundry and Valet Service. The actual cost of laundry and/or valet service are allowable expenses when employees are required to be away from the City for more than six days at one time or the conditions under which they are required to work while away from the City create a more than normal need for such services and must be preauthorized.

4.20 Gratuity/Tips. Reasonable tips given to waiters/waitress may be reimbursable up to 15% of the total cost of a meal. It is the responsibility of the traveler to find out if a gratuity/tip has been included in the bill (many Seattle area restaurants include gratuity on their bill and travelers should not add a tip in this instance). The traveler will be responsible for any gratuity/tip over 15% of the total cost of a meal.

4.21 Ineligible Expenses. Certain travel expenses are considered as personal and not essential to the transaction of official City business. Such non-reimbursable expenses include, but are not limited to:

- Travel expenses paid for by any other organization;
- Alcoholic beverages;
- Entertainment expenses, including taxi fares, motor vehicle rental, and other transportation costs to or from places of entertainment;

- D. Costs of personal trip insurance (such as personal accident insurance, personal effects insurance, and extended liability insurance), and medical and hospital services;
- E. Tour bus fees for sightseeing tours;
- F. Out of pocket charges for vehicle service calls caused by the negligence of the traveler. Examples include service charges for the delivery of fuel, retrieval of keys from locked vehicles, jump starting vehicles when the lights have been left on, etc.;
- G. Fines from appropriate jurisdictions for all parking tickets, citations or infractions received while operating a vehicle on state business. Payment of fines and citations under these circumstances is the sole obligation and responsibility of the traveler and is not to be reimbursed or paid by the City.