

**CITY OF NEW BERN
ADMINISTRATIVE ORDERS
OF THE CITY MANAGER**

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| ADMISTRATIVE ORDER 4.6 |
| TRAVEL POLICY |
| To: All City Employees |
| From: Mark Stephens, City Manager |
| Maintained By: Finance Department |
| Date: February 2017 |
| Update to October 1, 2009 Policy |

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1. Purpose

The purpose of this policy is to establish travel procedures for all City employees, elected officials, and appointed officials and to establish policy and procedures for payment of the cost of authorized travel. This travel policy is designed to comply with Internal Revenue Service (IRS) regulations so that all reimbursements will be non-taxable payments. Anyone traveling on City business is subject to this policy.

2. General

The policy of the City of New Bern is to reimburse employees for all reasonable expenses incurred as a result of travel for authorized City business. An employee, elected official or appointed official is to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. All travel is contingent upon the availability of budgeted funds in each department.

The number of employees attending the same event or conference should be limited, and those that do attend should try to ride together when possible.

Travel advances are provided to prevent employees from incurring any personal inconvenience or financial hardship. The City's purchasing cards should be utilized when possible. To receive an advance, a Travel Requisition must be signed by the approval authority and submitted to Accounts Payable in accordance with Accounts Payable deadlines.

A. Required Approval

The Director of Finance will manage, update, and approve the Travel Requisition Form and the Travel Expense Report forms. Both forms are required as part of official travel. The Department Head or his/her designee is the approving authority except in cases set out below. For Department Head travel, the City Manager or Assistant City Manager is the approving authority.

1. Overnight travel – must be pre-approved through the Travel Requisition Form by the appropriate approving authority and the Director of Finance (for pre-audit purposes). The travel requisition should include all backup that describes the trip (conference information, hotel information, per diem calculations, mileage determination, etc).
2. Any trip over \$1000 total cost must be approved in advance by the City Manager or Assistant City Manager.

Approving authority must also sign and approve the Travel Expense Form upon completion of travel. Department Heads should note that when a non-exempt employee travels on behalf of the City, their travel time is included in the hours worked for purposes of calculating overtime. Travel time will be paid in accordance with the Fair Labor Standards Act (FLSA).

Accounts Payable will not settle travel expense claims without the appropriate level of approval on travel and expense reports.

B. Responsibilities of Travel Approvers

If you are approving a travel reimbursement request, whether or not you are the traveling employee's direct supervisor, you are attesting to the following:

1. That you have reviewed the reimbursement request in its entirety;
2. That the reimbursement request is accurate; and
3. That the travel is for a public (City business-related) purpose.

Although the Director of Finance is statutorily charged with stewardship of taxpayer dollars, the fiscal integrity and credibility of our organization is the responsibility of all City employees.

C. Non-City Employee Travel

Reimbursement of travel expenses incurred by interns, appointed members of advisory boards and commissions or volunteers while conducting requested/approved City business outside of Craven County are allowable under certain situations, and these persons are subject to the same travel regulations as City employees. The appropriate Department Head, Assistant City Manager, or City Manager must approve their travel in advance, and the same forms are used to request reimbursement for travel expenses.

In accordance with the City of New Bern Vehicle Policy, non-City individuals should not be passengers in a City vehicle/equipment unless they are specifically involved in the conduction of City business. A spouse and/or member of the immediate family or companion may travel with the employee to seminars or conferences; however, it will be at their own expense. The employee is responsible for allocating only his/her portion of actual business-related costs on the Travel Expense Report.

D. Transportation

City vehicles, if available, should be used for any authorized travel unless otherwise approved by the Department Head, City Manager, or Assistant City Manager. This does not include travel to/from the local airport. The vehicle must be used in accordance with the City's Vehicle Policy.

Any Governing Board member, employee, intern, or appointed official using his/her personal vehicle for authorized travel is reimbursed at the prevailing IRS rate per mile of travel.

Actual expenses are reimbursed for public transportation, parking, and taxi costs incurred in connection with travel on City business. Employees are expected to use the most reasonable and economical form of transportation available. Parking tickets, traffic tickets and valet parking are not reimbursable expenses unless valet parking is the only available option.

E. Mileage Reimbursement

An employee needing to travel locally for routine or emergency work reasons must make every effort to utilize a City vehicle for travel. Reimbursements for using a personal vehicle in the execution of local

work will only be given on a case-by-case basis and must be approved by the Department Head, Assistant City Manager, or City Manager.

An employee planning a trip within driving distance must evaluate whether there is a City vehicle available for travel. The supervisor or Department Head will make the final determination. Employees can also inquire with the City Clerk as to whether vehicle A-1 is available for travel. If a City vehicle is available for the employee's travel and the employee chooses to drive their own vehicle, it will be at the employee's own expense. The exception to this is that employees are allowed to drive and claim mileage for a personal vehicle to and from the local airport, as the City would prefer not to have City vehicles sitting at the airport for extended periods of time.

Should no City vehicle be available and a personal vehicle is driven in place of a City vehicle, the City reimburses mileage expenses at the IRS standard mileage rate for the current year. The Department Head must approve use of a personal vehicle in advance of the travel, and for Department Heads the City Manager or Assistant City Manager must approve.

The Director of Finance is allowed to make periodic adjustments for auto mileage rates in accordance with current IRS regulations.

In order for mileage to be reimbursed, it must be substantiated with enough detail that the mileage claimed can be verified. To the extent possible, trips should be planned out in advance so that mileage and travel time are minimized. Employees submitting mileage reimbursement requests during a time period when the standard mileage rate has changed must submit mileage for the different rates on separate forms.

Mileage claimed for out-of-town travel should be the lesser of the following:

- The distance from the normal place of work to the destination, including return trip, or
- The distance from the place of departure (employee's home, etc.) to the destination, including return trip.

In no cases will employees traveling together each be reimbursed the full cost of travel.

Transportation expenses between your home and your normal place of work are personal commuting expenses and not eligible for mileage reimbursement. Employees who are called back to work on the same day and who are not assigned a City vehicle will be eligible for mileage reimbursement. If an employee is required to travel from their normal place of work to vendor or job sites during the day, and no City vehicle is available, that travel is eligible for mileage reimbursement. An Employee Mileage Reimbursement Report should be completed for these reimbursement requests.

F. Registration Fees

Registration fees should be paid in advance using a City purchasing card whenever possible. However, when this is not feasible, registration fees may be paid with a purchase order or reimbursed as an actual expense. Receipts are required for reimbursement when registration fees are not paid in advance. A copy of the conference registration form or information about what is included in the registration fee must accompany the Travel Expense Report.

G. Required Accounting for Travel Expenses

Employees must file for a travel settlement to the Accounting Division within 10 working days of when a trip is completed. The following must be included:

- a. A completed, signed Travel Expense Report
- b. A copy of the conference brochure or meeting agenda (if applicable)
- c. All necessary original receipts
- d. List of purchasing card transactions

Additionally, the following applies to travel claims:

- a. An original detailed hotel receipt showing a zero balance remaining is required for the travel expense report.
- b. All charges to the purchasing card must be supported by receipts
- c. If an original receipt has been lost or misplaced, the employee should indicate as such on the receipt copy and sign his/her name.
- d. Receipts should be obtained whenever possible for taxi fares and parking and attached to the expense report. If a parking or taxi receipt is not provided, the employee must attach a written signed explanation that details the parking fees or taxi fares that are to be reimbursed. This written explanation must be attached to the Travel Expense Report and must be signed and dated by the employee.
- e. Employee name shown on the Travel Requisition and the Travel Expense Report should be the same as the name shown on the employee's pay stub.
- f. Advanced amounts must be deducted from expenses shown on Travel Expense Report to arrive at the amount remaining due to employee/City.
- g. Travel expense reports must be submitted timely, as no future travel advances will be granted until they have been completed.

3. Overnight Travel

The City will pay costs incurred while in overnight travel status for the purpose of conducting City business. See "Required Approval" section above for more information. An employee is considered in overnight travel status, as opposed to commuting status, when incurring over 60 miles one way of travel from New Bern to arrive at the destination and the travel requires an overnight stay. Overnight accommodations while attending a conference or training course covering at least two days is permissible if the conference is at least 30 miles from New Bern.

A. Airline Travel

Airlines or travel agents should be contacted only after the required travel approvals have been obtained. Airline tickets may be secured through a travel agent or by purchasing them directly from the airline or an authorized vendor. They may be paid for with a City purchasing card or reimbursed as a direct expense.

B. Overnight Travel Arrangements

Each department is authorized to make appropriate travel arrangements directly with a hotel, airline, car rental agency, etc. Hotel accommodations prearranged by conference/training sponsors or professional associations can be used. It is incumbent upon the traveler and approving authority to

ensure that the most reasonable and economical means of transportation and accommodations are used. The following guidelines should be used to help ensure the City receives the most favorable fares:

- a. ALL airline arrangements should be made at least two weeks before the scheduled flight. Exceptions to this timeline require approval by Assistant City Manager or City Manager
- b. The City will pay for coach seats only. Should an employee wish to upgrade, they can do so at their cost. A quote for coach seating must be submitted with the travel claim.
- c. Employees should seek reasonably-priced hotel accommodations. If an employee is attending a conference given in a hotel or resort, then the employee is allowed to seek accommodations at the same hotel/resort even though cheaper priced accommodations are available.
- d. Employees are expected to shop for the best price for transportation/accommodations and all other travel arrangements.
- e. Governmental rates should be sought whenever possible.
- f. Employees are not required to share a room with other City employees with whom they are traveling.

C. Lodging

Lodging expenses should be paid with a City purchasing card whenever possible. When an employee pays for lodging themselves, the funds will be reimbursed at actual cost of rooms (including tax) provided that the employee seeks reasonably-priced lodging. An original detailed hotel receipt is required for reimbursement of lodging expenses. Reimbursement may be claimed for the night prior to the conference/seminar provided that the location of the conference is greater than 60 miles from the normal place of work and the conference begins at such an early hour that leaving the day the conference starts is not reasonable. Reimbursement may be claimed the night following the conference if the final conference activity takes place at a time that would put an undue burden on the employee to return home that night. Hotel check-out time is not a factor in that decision.

No reimbursement is authorized for in-room movies, valet charges, in-room bar charges, or other non-essential needs, unless valet parking is the only available option.

Room service charges for food, including tips, are not allowable. These expenses are considered to be covered by the per diem allowance. Meal expenses, personal phone calls and baggage handling tips are to be paid by the employee using personal funds, as they are considered part of the per diem coverage.

D. Meals and Incidental Expenses

The City will pay per-diem rates for meals and incidental expenses as established by the Government Services Administration (GSA) each federal fiscal year or as amended. Employee must be in overnight travel status for this to apply. Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, and stewards or stewardesses.

For employees in overnight travel status, the day of departure and the day of return, the per diem allowance will be reduced to 75% of the normal amount. Departure and return times will not be used to determine the amount of per diem.

An employee may be eligible for a higher per diem allowance depending upon the city to which they are traveling. Per diem rates are available on the U.S. General Services Administration website (<http://www.gsa.gov/>). An employee should print a copy of the page that details the daily rate for the city to which they are traveling, attach it to the Travel Expense Report and Travel Requisition, and the employee will be reimbursed at the appropriate rate. The City does not require any receipts under the per diem allowance method.

Meals provided by the conference, seminar or other event, or for which a separate ticket has been purchased may not be duplicated in reimbursement requests. Reimbursement for duplicate meals is considered taxable income to the employee per IRS regulations. The appropriate per diem amount for the meal will be deducted from the day's per diem if the meal is included in the registration cost or if a meal/banquet fee is paid separately. Refreshments during breaks and hors d'oeuvres served during social hours or receptions are not considered meals.

Meal costs are not allowable expenses if the employee does not stay overnight, as the IRS considers this a taxable fringe benefit. Therefore, meals for day travel are not reimbursable, and no per diem will be provided.

An employee may be reimbursed for a meal when the job requires his/her attendance at the meeting of a board, commission, committee, or council in his/her official capacity and the meal is preplanned as part of the meeting, provided there is a receipt or written documentation to support the reimbursement.

E. Business/Personal Phone Calls

Business-related phone calls will be reimbursed at actual expense. Receipts are required. Personal phone calls will be reimbursed up to \$3 per day cumulative while away overnight at a class, seminar or conference. Employees receiving a cell phone allowance must use their cell phone for phone calls unless service is not available.

F. Rental Vehicle

A rental vehicle may be requested when it is determined that no other mode of transportation is as economical or practical. A rental vehicle should be used for business purposes only. Vehicle rentals, when authorized by the approving authority, and necessary or for emergency or unanticipated situations, can be arranged by the traveling employee. In these instances, the traveler should request the lowest rental rate possible. Corporate or governmental rates should always be obtained if possible. Rental receipts are required to be submitted with the Travel Expense Report.

4. Violations of Travel Policy

The following will be subject to disciplinary action up to and including termination of employment and possible criminal prosecution:

1. Submitting a falsified trip accounting or requests for reimbursement.
2. Authorizing a request for reimbursement which is known to be false.

5. Modification of Policy

This policy is an administrative policy only and may be modified from time to time by the City Manager and/or Board of Aldermen of the City of New Bern.



Mark A. Stephens
City Manager

5/22/17
Date