

CITY OF OLATHE

ADMINISTRATIVE GUIDELINES

SUBJECT: City Business Expense

PREPARED BY: SFM **EFFECTIVE:** January 1, 2010

APPROVED BY: _____ **SUPERSEDES:** January 1, 2008

APPLICABLE TO: All City Employees, Officials, and Appointed Commission & Board Members

1.0 PURPOSE

To establish policy and procedures for travel, employee reimbursements and other business expenses.

2.0 POLICY

- 2.1 It is the ethical responsibility of every employee and city official (including but not limited to elected officials, appointed commission members, and appointed board members) to insure that expenditures are in the interest of and for the betterment of the city, and for legal and appropriate city business.
- 2.2 Employees and officials are expected to minimize costs by exercising the same care in incurring expenses that a prudent person would exercise in conducting personal business.
- 2.3 It is the responsibility of those persons approving the Business Expense Statement (BES) to ensure compliance with this administrative guideline.
- 2.4 Excluded from this guideline are those expense statements covered under separate agreements(s) with the City Manager or the City Council.

3.0 APPROVING AUTHORITY

- 3.1 Business/Travel expenses for elected officials, City Manager, Municipal Judge, and City Auditor will be placed on the consent agenda of the City Council meeting for City Council approval. The approved authorization(s) will constitute authority for payments of advance expense money, payments made directly to vendors for registration, commercial travel, and hotel accommodations billed directly to the city.
- 3.2 Business/Travel expenses for Department Directors will be approved by the City Manager's Office.
- 3.3 Business/Travel expenses for personnel below the Department Director level will be approved by the Department Director or their assigned designee.
- 3.4 Business/Travel expenses for appointed commission or board member, i.e., Planning Commission, will be reviewed by the City Manager's Office and submitted to the City Council for approval as outlined in 3.1 above.

4.0 PROCEDURES

4.1 Travel Request Form (TRA) are required for:

Overnight travel and/or registration expenses for all city employees and officials must be approved in advance.

Local registration exceeding \$1,000 per person must be submitted in advance for approval.

1. Requests for travel and/or registration expenses must be submitted on the form titled "Travel Request Form" (TRA) available on the Intranet "On Line Forms". The TRA sets the amount as well as approval of the trip. Approval is for all costs and periods shown on the TRA.
2. City issued procurement cards (PCard) should be utilized whenever possible; however, they are only to be used for items NOT covered under per diem. Further information is available in the Procurement Card Policies and Procedures Manual available through the intranet. All expenses paid with the PCard are to be included on the TRA.
3. When multiple employees are attending the same training, it is only necessary to prepare one TRA. Each employee must be identified on the form.
4. All necessary signatures must be on the TRA form when it reaches the Accounting Division.
5. Any changes made after the initial approval need to be documented and authorized by the approving authority.

4.2 Advance Check for Travel Expenses

1. Once a TRA is approved, the appropriate office staff will prepare a check request in the E1 system. Staff office may attach the TRA to the check request in E1. To obtain an advance check the approved TRA must be submitted to the Accounting Division.
2. Advances will be charged to the appropriate department budgeted account number.
3. When more than one person has been approved on the TRA form, a check request needs to be prepared for each participant. Each participant will be responsible for their own advance.
4. Sufficient time must be allowed for the Accounting Division to process an advance as a routine accounts payable. Normally, this will be at least one week prior to the next payable cycle.
5. Advance checks will be released by Accounts Payable prior to departure.
6. Advances for meals and travel for local conferences, seminars, or meetings will not be given.

4.3 Business Expense Statements (BES) are required when:

Advance Checks are issued - see Guideline Section 5.

Local training and conferences - see Guideline Section 6.

Miscellaneous expenses are incurred by an employee, unrelated to training, accumulated over a calendar month - see Guideline Section 7.

1. All city employees and officials will submit an approved form titled "Business Expense Form" (BES) available on the Intranet "On Line Forms" to the Accounting Division for processing, with all required original receipts attached, by the 15th of the following month. If the BES is submitted **after** the 15th, a memo from the approving authority is required explaining the circumstances, and will be attached to the BES.
2. The BES must include the employee number (E1) entered in the E1 Address Book # field, as well as the departments budgeted account number (E1) in Account Number field to allocate the cost of this expense.
3. If actual costs exceed the approved TRA total by more than 10%, an explanation from the approving authority must be submitted with the BES.
4. If no advance was taken or if expenditures exceeded the advance, reimbursement will be made. An approved BES with all required receipts and/or documentation attached will be submitted to the Accounting Division. A copy of the approved TRA form must accompany the expense statement.
5. After reviewing and verifying the BES, the Accounting Division will initiate a check request if required. **Departments should NOT enter BES reimbursement into the E1 system.**
6. If the advance exceeded the expenditures and a refund is due the city, the excess will be receipted back to the department's budgeted account number and the receipt will accompany the BES.
7. If the Advance Check issued is not settled through a BES by the 15th of the following month, the Accounting Division will notify the approving authority.
8. When receipts have been lost, or are otherwise unavailable, the employee or city official must attempt to contact the vendor and obtain a duplicate receipt. If a duplicate receipt cannot be provided, an "Affidavit of Expenditures" available on the Intranet "On Line Forms" must be completed and submitted along with the BES.
9. In all cases, whether reimbursement is due or not, BES for City Council, members of appointed commission/boards, the City Auditor, the Municipal Judge, and the City Manager will be placed on the consent agenda for city council approval.
10. Phone calls and internet access charges on the hotel bill will be deducted unless identified as to who was called and the nature of city business conducted.
11. City issued procurement cards (PCard) should be utilized whenever possible; however, they are only to be used for items NOT covered under per diem. Further information is available in the Procurement Card Policies and Procedures Manual available through the intranet. All expenses paid with the PCard are to be included on the BES.

5.0 GUIDELINES - TRAINING/CONFERENCES, OVERNIGHT STAY

5.1 Registration

Registration fees for city officials and employees for authorized conferences and training sessions will be paid by the city. Conference meals with a separate sign-up and charge should be deducted from the Per Diem. This does not apply to meals included in the total cost of the conference where a separate charge and sign-up are not listed. See Section 5.4C for daily meal allowance.

5.2 Transportation

The selection of the mode of transportation will be based on distance, travel time, and the cost to the city.

1. City vehicle – Allowable expenses include actual expense for gasoline, oil, repairs, and other operating expenses.
2. Commercial carrier – Allowable expense is economy or tourist class if by air; first class day coach if by train. When possible, commercial travel should be planned far enough in advance to take advantage of reduced fares. Under no circumstances will an airline be selected or route established solely for the purpose of accruing airline bonus points.
3. Private vehicle - Rates for reimbursement will be the prevailing IRS reimbursement rate. Mileage will be determined by the usually traveled, direct route in accordance with figures published by the American Automobile Association. The maximum city reimbursement will be restricted to the lesser of commercial carrier booked reasonably in advance of travel or the prevailing IRS mileage rate.
4. Rental Vehicle - May be authorized if public transportation is unavailable, or is more expensive due to location or required frequency of trips.

5.3 Lodging

The city will pay lodging costs associated with attendance at an authorized business meeting, seminar or conference.

1. If in the conference area, reimbursement will be for the single room rate.
2. If a room is shared with another conference attendee, half of the double occupancy rate will be reimbursed.
3. Should a corporate or government rate be available, the employee is expected to avail him or herself of such rate and reimbursement will be limited to that amount.
4. Phone calls and internet access charges on the hotel bill will be deducted unless identified as to who was called and the nature of city business conducted.
5. A detailed hotel bill (showing daily charges) is required.

5.4 Daily meal allowance

A daily meal allowance (“Per Diem”) is established to cover the cost of meals and tips on the meal.

1. Per Diem will be provided in accordance with the existing IRS allowance as shown on the internet address “gsa.gov” click Per Diem Rates under Travel Resources. You can also access this with the web link on the TRA and BES forms. If the city being traveled to is not listed you may use the county rate. To find the county where the city is located search for the county by the link “National Association of Counties” (NACO website). Enter city and search for county. Go back to the Per Diem for that state and if that county is listed that is the Per Diem rate that is

allowed. If the city or county is NOT listed the established minimum per diem rate as listed at the previously mentioned web site will be allowed.

2. For travel days when an employee is out of town for less than a whole day, the following will be the per diem allowance:

Leave home before noon or return home after six p.m. = Full day Per Diem

Leave home after noon or return home before six p.m. = Half day Per Diem

Note: It will be the approving authority's responsibility to monitor the time of departure and return.

3. Conference meals with a separate sign-up and charge should be deducted from the Per Diem. This does not apply to meals included in the total cost of the conference where a separate charge and sign-up are not listed. Meal breakdown is on the internet address "gsa.gov" under Per Diem Rates "Meal and Incidental Expenses Breakdown."

5.5 Other Expenses

1. Other business expenses directly attributed to city related travel, i.e., taxi, bus fares, tolls, parking fees, FAX service, office supplies, courier services are allowed as long as receipts detailing the charges are provided.
2. Tips, not related to meals, are reimbursable and listed as a miscellaneous expense. Receipts are not required when authorized by the approving authority. The following website may be used as a guide to tipping rates for the approving authority: www.travelsense.org/tips/tipping.asp
3. KCI parking will be reimbursed up to \$8.00 a day or the amount of the receipt, whichever is less, although larger amounts may be reimbursed with Department Director approval. A receipt for parking will be required. For a reference on parking rates when completing the TRA go to www.flykci.com and select "Parking."

6.0 GUIDELINES - LOCAL TRAINING/CONFERENCES (NO OVERNIGHT)

6.1 Registration

1. Registration fees for city employees and officials attending authorized conferences and training sessions will be paid by the city.
2. A TRA form is necessary for local training and conferences when the registration fee exceeds \$1,000 per employee.
3. Advances for meals and travel for local conferences, seminars, or meetings will not be given.

6.2 Transportation

1. A shared motor pool of vehicles has been established and designated for use by City employees and officials to be used for local single day travel. The scheduling tool, Motor Pool Guideline and Use Form are accessed in Outlook in Public Folders; All Public Folders; City Clerk's Office; City Hall Campus Motor Pool.
2. City vehicles shall be refueled at any available City of Olathe fueling site using the gas key provided with the vehicle keys. All other maintenance of vehicles in the pool will be coordinated by the City Clerks Office.

3. Use of private vehicles will only be allowed if a city vehicle is not available and authorized by the approving authority. Reimbursement rate for mileage will be the prevailing IRS rate to be determined by the most commonly traveled, direct route.

6.3 Lodging

When an activity takes place near Olathe, but outside the Kansas City Metro area, a request for reimbursement for lodging will be reviewed by the approving authority to determine the benefit to the city of having the employee remain overnight. If the request is approved, refer to section 5.3.

6.4 Meals

1. Expenses for meals associated with a training seminar within the city limits of Olathe will not be reimbursed.
2. Reimbursement may be made for meals in conjunction with local meetings or training outside the city limits of Olathe (no overnight stay involved).
3. The maximum reimbursement for meals will be as shown in 7.2.A1. The original receipt must be submitted to substantiate claim. The receipt must identify name and address of restaurant, date and amount of services.

7.0 OTHER EXPENSES

7.1 General expenses

1. Expenses directly attributable to city travel and training, such as tolls and parking fees, will be reimbursed and submitted on a BES.
2. Purchases paid by the employee for commodity items, such as books, safety shoes etc. do not require a BES. Appropriate office staff will prepare a check request in the E1 system. Receipt(s) must be submitted to the Accounting Division.

7.2 Other local expenses

A. Business meals

1. The following amounts should be observed as the maximum allowances:

Breakfast	\$10.00
Lunch	\$15.00
Dinner	\$20.00
2. Expenses that include meals paid directly to a professional organization will be reimbursed for the full amount paid. When meals are paid for separately or directly to a restaurant, the above allowances will be observed.
3. Expenses for meals associated with meetings between city officials and officials outside the organization or between city officials and board members are permitted and reimbursable if the purpose of the meeting is to conduct business related to city activities, operations and/or functions.
4. Expenses for meals and/or refreshments between two or more employees are permitted and reimbursable if the purpose of the meeting is to conduct business related to city activities, operations and/or functions when authorized by the approving authority.
5. When employees are required to work through their lunch or dinner hour or when prior approval could not be obtained as set out above, the employee should pay for

the meal, then submit an expense statement. Reimbursement will be made only if approval is given for expenses incurred and not otherwise paid for by the city.

6. During emergencies, meals may be provided with the approving authority's authorization.

B. Transportation

1. A shared motor pool of vehicles has been established and designated for use by City employees and officials to be used for local single day travel. The scheduling tool, Motor Pool Guideline and Use Form are accessed in Outlook in Public Folders; All Public Folders; City Clerk's Office; City Hall Campus Motor Pool.
2. City vehicles shall be refueled at any available City of Olathe fueling site using the gas key provided with the vehicle keys. All other maintenance of vehicles in the pool will be coordinated by the City Clerks Office.
3. Use of private vehicles will only be allowed if a city vehicle is not available and authorized by the approving authority. Reimbursement rate for mileage will be the prevailing IRS rate to be determined by the most commonly traveled, direct route.

C. Participation with professional organizations

City employees and officials whose responsibilities require interaction with outside organizations may participate in the activities of those organizations. Participation will be limited to those employees directly associated with the sponsoring organization and only for events from which a benefit to the city can be expected. Fees for such participation should be billed directly to the city.

D. Miscellaneous expenses

Miscellaneous local expenses incurred by an employee, unrelated to training, may be accumulated over a calendar month. A BES is required to be submitted to Accounting Division by the 15th of the following month.

8.0 UNAUTHORIZED EXPENSES

- 8.1 Specifically exempted from reimbursement are expenses incurred by attendance at political rallies or events held for the specific purpose of promoting the candidacy of an individual for public office.
- 8.2 Expenditures incurred by members of the public official's or employee's families will not be reimbursed.
- 8.3 Reimbursement will not be made for expenditures which do not involve a public purpose, or those not necessarily incurred in the performance of a public purpose authorized by law, i.e., bar bills, tickets to plays, sporting events, etc.
- 8.4 If there is an additional lodging fee (except for telephone usage, data ports, dial up access to city resources) i.e., any form of entertainment, such fee will not be reimbursed.
- 8.5 Entertainment costs (such as movies, personal phone calls, etc) will not be reimbursed.
- 8.6 If per diem is paid, expenses covered under per diem will not be eligible for reimbursement.