



CITY OF
MUKILTEO

Finance Department

11930 Cyrus Way, Mukilteo WA 98275

Amended

**Travel
Policy
and
Procedures**

2019

CITY OF MUKILTEO TRAVEL POLICY AND PROCEDURES

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PURPOSE

To establish policies and procedures related to obtaining travel authorization, advance travel funds, and expenditure or reimbursement for business travel expenses.

REFERENCES

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

DEFINITIONS

Commercial Lodging Facility: A business, non-profit, or governmental entity that provides lodging accommodations for a fee.

Commute: Travel between the official residence of the employee and their official station.

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.

Incidental Expenses: Fees and tips given to porters, baggage carriers, hotel and restaurant staff, flight attendants, and others for personal services performed. This is not a miscellaneous expense. An allowance for incidental expenses is included within the per diem rates for the area of travel.

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.

Official Residence: The city, town, or other location where a City employee maintains a residence that is used as their primary domicile, based on items such as voter registration, ownership, or long-term rental of a personal residence, and the permanent address carried in the employee's personnel file.

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.

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.

Per Diem: Allowances for lodging, meals and incidentals as established by the Office of the General Services Administration (GSA) for the area of travel. The most current per diem rates can be found at the following web address: <http://www.gsa.gov>. Per diem rates include the costs of tax and gratuity.

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.

Travel Authorization Form: Official City form used to obtain authorization for travel. See Attachment A. This form is provided by the Finance Department in Excel format.

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 by the Finance Department in Excel format.

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.)

Traveler: A person in travel status who is on official City business.

POLICY AND PROCEDURES

Policy Overview

It is the policy of the City of Mukilteo to reimburse employees for reasonable travel expenses incurred in the conduct of business for the City. 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.

Responsibilities of travelers

A traveler on official City business is responsible for:

- Being familiar with City travel and transportation regulations before embarking on travel.
- 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. Excess costs, circuitous routes, delays, or luxury accommodations unnecessary or unjustified in the performance of official City business travel are not acceptable.
- Paying any expenses incurred for personal preference or convenience.
- Returning as promptly as possible to either the official station or official residence when the City business is completed.
- Securing prior authorization for travel.
- Preparing the Travel Expense Voucher and providing appropriate receipts and documentation.

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, but only after a Travel Authorization Form has been completed and approved

Travel Status Limitations

An employee may be considered to be in travel status when the area of travel is located outside of Snohomish and King Counties. In some situations there may be adequate justification for allowing an employee to be in travel status within Snohomish or King County, such as:

- When the health and safety of travelers is an issue, as noted in the next section.
- When it can be demonstrated that staying overnight is more economical to the City.

- When it can be demonstrated that staying overnight is a necessary requirement for the conference or training. (Such as Fire Academy.)

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 inclement weather and other situations that could threaten the health and safety of City employees. When this occurs, travelers should:

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

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.

Excess Travel Expenses

Any excess travel expenses which are brought about by the employee's personal activities are the responsibility of the traveler. Only those travel expenses directly related to City business are allowed.

Travel Authorization

Advance authorization for travel must be obtained as documented by a properly completed and approved Travel Authorization form (Attachment A). All anticipated travel expenses must be listed, and appropriate approval signatures obtained as indicated below. 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 meeting, and details of what is included with registration must be attached. The Travel Authorization form must be attached to the Travel Expense Voucher when a reimbursement request is submitted.

After a Travel Authorization form has been fully approved, any changes that would increase the cost to the City must be authorized by the approval authority outlined below.

Approvals

Travel Authorization forms, Travel Expense Vouchers and credit card charges for travel shall be signed for approval as noted below:

- Council – Under \$150 approved by the Mayor or Management Services Director; \$150 or over approved by the Council, documented via signature by the Council President or their designee.
- Mayor – Under \$150 approved by the Management Services Director; \$150 or over approved by the Council, documented via signature by the Council President or their designee
- Management Services Director – Under \$150 approved by the Mayor; \$150 or over approved by the Council, documented via signature by the Council President or their designee.
- Department Director – approved by the Management Services Director or Mayor, depending on supervisory authority
- Other employees – approved by the direct supervisor or Department Director.

Any travel outside of the continental United States requires the pre-approval of the Management Services Director or Mayor.

Travel Advances

In order to avoid placing a hardship on an employee, a travel advance may be issued to an employee for approved anticipated out-of-pocket meal expenses to be paid by the employee during authorized travel. An advance will only be issued when anticipated out-of-pocket meal expenses exceed \$50. Advances under \$50 will not be made. Travel advances are not intended for travel tickets, pre-registration fees, lodging and/or other items which can normally be billed to the City, paid through the regular accounts payable system or by City credit card. Within fifteen days following return from travel status, the traveler must submit a completed, approved travel expense voucher to substantiate expenditure of the travel advance. Any amount advanced that exceeds the authorized expenditure amount must be returned via check made payable to the City of Mukilteo. Travel advances are considered liens against any amount owed by the City to the employee. Any amounts in default may be withheld by the City from funds owed to the employee. No advance will be made to an employee who has an advance which is in default. A travel advance is not a personal loan; expenditure of these funds for any purpose other than for official business shall be considered a misappropriation of public funds. Any travel advance not repaid or accounted for in the fifteen day period shall bear interest at the rate of ten percent from the date of default until paid.

Use of City Credit Cards

City credit cards are the preferred method of payment for any expenses that cannot be prepaid through the accounts payable process, including airfare and lodging but excluding meals. Any payments made using a City credit card must comply with all City of Mukilteo credit card policies and procedures. **Original, itemized receipts are required for all credit card purchases**, and must be submitted with requests for payment of credit card bills. Any credit card charges that are not properly documented are the responsibility of the traveler and must be repaid to the City.

City credit cards may only be used for the following employee travel related expenses:

- Conference registration and conference-provided meal fees.
- Eligible transportation related costs such as airfare and parking fees.
- Eligible lodging costs.

City credit cards may not be used to pay:

- Any portion of an expense that is the responsibility of the individual. For example, if lodging costs are higher because of an additional guest in the room, only the portion of the lodging cost attributable to the City may be charged to the City credit card.
- Meal expenses, except meals included with conference registration or included with lodging.

Employees should not use personal credit cards to pay for travel expenses unless there is an unforeseen expense incurred and use of a City credit card is not possible.

Travel Expense Voucher

All travel expenses shall be submitted to the Finance Department on a Travel Expense Voucher (Attachment B). 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 except meals purchased with per diem allowances. 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.

A fully itemized travel expense voucher must be submitted upon billing or no later than 30 days past the billing date.

If an employee uses a personal credit card for travel-related expenses, that must be indicated on the Travel Expense Voucher. In addition to the original, itemized, paid receipts, the employee must also provide a copy of their credit card statement showing the charge was incurred.

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 or transportation 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.

Registration

Registration 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.

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 or Paine Field Airport to destination and return. To take advantage of available discounts and avoid paying premium fares, travel arrangements shall be booked in advance.

- 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.
- When a City-owned vehicle is used to travel on City business the employee shall secure a City gasoline credit card and use such for purchases of gasoline, oil, emergency repairs, etc. whenever possible.

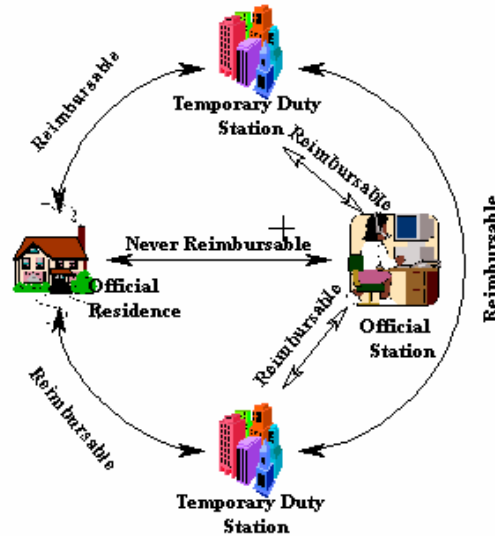
Privately Owned Vehicles – Mileage Reimbursement

Whenever possible, 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. Employees who receive a vehicle allowance will not be entitled to mileage reimbursement.

The following diagram depicts reimbursable and non-reimbursable privately owned vehicle (POV) mileage.



Example: An employee's home is in Marysville and official station is in Mukilteo. The employee travels from home directly to training in Olympia. After training the employee goes by the office in Mukilteo to do some work before returning home. The miles driven between Marysville and Mukilteo 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 Mukilteo to Olympia) are reimbursable.

Lodging

Under normal circumstances, payment for lodging is only allowed when traveling outside of Snohomish and King Counties. See "Travel Status Limitations" on page 3. 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." An original, itemized, paid hotel bill is required. 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.

Exceptions to the maximum allowable lodging rates

In the following situations, the maximum allowable lodging amounts may not be adequate and the Management Services Director or Mayor may approve payment of lodging expenses that exceed the allowable amount. Approval must be made in advance of the travel.

- When costs in the area have escalated for a brief period of time either during special events or disasters.

- When lodging accommodations in the area of travel are not available at or below the maximum lodging amount, and the savings achieved from occupying less expensive lodging at a more distant site are consumed by an increase in transportation and other costs.
- The traveler attends a meeting, conference, convention, or training session where the traveler is expected to have business interaction with other participants in addition to scheduled events. Further, it is anticipated that maximum benefit will be achieved by authorizing the traveler to stay at the lodging facilities where the meeting, conference, convention, or training session is held.
- To comply with provisions of the Americans with Disabilities Act, or when the health and safety of the traveler is at risk.
- When meeting room facilities are necessary and it is more economical for the traveler to acquire special lodging accommodations such as a suite rather than to acquire a meeting room and a room for lodging.

Meals

Individuals on travel status may be reimbursed for meal expenses using per diem rates as established by the Office of the General Services Administration (GSA) for the area of travel. (No meal receipts are required.) The most current per diem rates can be found at the following web address: <http://www.gsa.gov>. Under normal circumstances, payment for travel status meals is only allowed when traveling outside of Snohomish and King Counties. See “Travel Status Limitations” on page 3.

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 – 7:30 am
Lunch: 12:00 – 1:00 pm
Dinner: 5:00 – 6:00 pm

Note: It is not a requirement that the meal be **consumed** during the meal period, only that the employee is in official travel status for the entire meal period to qualify for per diem for that particular meal.

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

An allowance for incidental expenses is included within the per diem rates for the area of travel. Incidental expenses include fees and tips given to porters, baggage carriers, hotel and restaurant staff, flight attendants, and others for personal services performed are not a miscellaneous expense. A \$5 allowance for incidental expenses is included within the per diem rates for the area of travel. For purposes of calculating reimbursement rates, the incidentals allowance will be allocated as follows: \$1 for breakfast, \$1 for lunch, \$3 for dinner. Per diem rates include the costs of tax and gratuity, and no additional reimbursement is authorized in excess of per diem rates.

Meal allowances will be reduced by the amount of any meal not related to the travel, provided as part of the conference or training, or paid for by the City through any other means. For these purposes, a meal does not include a complimentary meal served on an airline, or a “continental breakfast” which normally consists of pastries, juice and coffee.

Example 1: An employee attends a conference in Olympia that begins at 8:30 am on Tuesday and ends at 12:00 pm on Wednesday. Tuesday's lunch is included with the registration fee. The employee leaves their home in Mukilteo at 6:00 am on Tuesday, and arrives back at City Hall at 3:00 pm on Wednesday. The employee could receive per diem for breakfast and dinner on Tuesday, and breakfast and lunch on Wednesday. (Tuesday's lunch has already been paid for with the registration fee.)

Example 2: An employee attends a conference in Olympia that begins at 10:00 am on Tuesday and ends at 3:00 pm on Wednesday. No meals are included with the registration fee. The employee leaves their home in Mukilteo at 7:00 am on Tuesday, and arrives home at 5:30 pm on Wednesday. This employee could receive per diem only for lunch and dinner on Tuesday, and breakfast and lunch on Wednesday. (The employee may not stop for dinner on the way home just to extend their travel time past 6:00 pm to qualify for dinner per diem.)

Meals Reported as Taxable Benefits

Meals provided by the City which do not meet the IRS definition of a travel status meal (generally requiring an overnight stay) may be eligible for reimbursement by the City. However, reimbursements for meals that do not meet IRS requirements for travel status meals will be reported to the IRS as taxable fringe benefits to the employee consistent with IRS rules.

If a represented employee is not in travel status, but is eligible for a meal allowance in accordance with their respective Collective Bargaining Agreement, those reimbursements will be processed through payroll. No Travel Authorization or Travel Expense Voucher should be completed for these meals as they are outside of the scope of this policy.

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.



Ineligible Expenses

None of the following expenses shall be paid by the City:

- Travel expenses paid for by any other organization
- Alcoholic beverages
- Meals, lodging accommodations or any other expenses for family or guests
- Fees for sightseeing tours
- Mileage if traveling as a passenger in a privately owned car
- Trip insurance
- Any other personal expenditure for entertainment or other purposes
- Room Service or any in-room charges for mini-bar items, movies, etc.
Fines or Traffic Tickets

Cancellations

If travel/training is canceled, the Travel Authorization Form should be voided and returned to the Finance Department as soon as possible with any advanced funds received.

 CITY OF MUKILTEO	TRAVEL AUTHORIZATION				EMPLOYEE/CLAIMANT:						
					DEPARTMENT/DIVISION:						
*Must be completed & approved prior to city funds being committed *Fill in shaded fields *Attach all required documentation per travel policy *For meal per diem add \$1 to breakfast, \$1 to lunch, \$3 to dinner for incidentals					OFFICIAL RESIDENCE:						
					DUTY STATION:						
PURPOSE OF TRAVEL:					REGULAR SCHEDULE:						
					ITEMIZATION OF ESTIMATED TRAVEL EXPENSES					HARDSHIP TRAVEL ADVANCE REQUEST	
					DESCRIPTION	EST. AMOUNT					
ACCOMPANYING TRAVELERS:					REGISTRATION FEES	\$					
					TRANSPORTATION					AIR	\$
										BUS	\$
										TRAIN	\$
										TAXI	\$
										TOLLS	\$
										PARKING	\$
										RENTAL CAR	\$
										PRIVATELY OWNED VEHICLE IF NO CITY VEHICLE AVAILABLE	
					# Miles	0	X Rate	\$ 0.580	\$ -	May be requested only for estimated cost of meals (per diem) exceeding \$50 that have not been prepaid by the City. 	
LODGING GSA PER DIEM RATE											
# Nights		X Rate	\$ -	\$ -							
MEAL PER DIEM: IF NOT INCLUDED IN REGISTRATION OR HOTEL FEE											
BREAKFAST 6:30A-7:30A	\$ -	X # days		\$ -							
LUNCH 12:00P-1:00P	\$ -	X # days		\$ -							
DINNER 5:00P-6:00P	\$ -	X # days		\$ -							
TOTAL					\$ - \$ -						
EMPLOYEE/CLAIMANT SIGNATURE			DATE	EXPENDITURE ACCOUNT NUMBER(S)							
CITY MANAGER APPROVAL IF LODGING EXCEEDS GSA RATE			DATE	APPROVAL SIGNATURE		DATE					

