



ADMINISTRATIVE POLICY

Title: Travel & Other Expense Reimbursement Policy					
Administered By: Administrative Services (Finance)					
Policy No.	Issue Date	Revision Date	Dept. Head Approved	City Manager Approved	Mayor Approved
01200.001	10-00 (12-16-15)	03-07-18	DocuSigned by: <i>Kerry D. Eden</i> CF9F259F4E2B45D...	DocuSigned by: <i>Darrell Talbert</i> 8CE3550982FA4F9...	DocuSigned by: <i>Karen Spiegel</i> 98DF026B8B4E4D5...

The City of Corona (“City”) from time to time allows its employees and officials to attend conferences, seminars and meetings to enhance the understanding of their duties, responsibilities, and professional development. The guidelines set forth below constitute an “accountable expense reimbursement plan” and meet the three basic requirements under Internal Revenue Code (IRC) Section 62(c) (“IRS Accountable Plan”). This policy is applicable to all City employees (“City Employees”), the City’s elected officials, and those appointed officials who are members of legislative bodies (as defined by Government Code Section 54952) (collectively, “City Officials”) when they travel on behalf of the City or otherwise seek payment or reimbursement for actual and necessary expenses incurred in the performance of their official duties.

This policy is in compliance with the requirements of California Government Code sections 53232.2 and 53232.3, pertaining to travel and reimbursement policies for City officials (AB 1234).

These guidelines are organized into the following sections:

- General standards
- Planning an official trip to an event or activity
- Paying and reporting travel expenses
- Making the trip to an event or activity
- Accounting for expenses

GENERAL STANDARDS

All arrangements should be made on the basis of the most reasonable and appropriate method and rate. The City Employee or City Official is responsible for exercising good judgment in requesting, arranging, and making the trip to an event or activity. Personal matters must not be mixed with official business if it will increase the cost to the City in terms of dollars or lost time, or if it will otherwise harm the City's interests in any way.

Authorized expenses

The City will pay or City Employees and City Officials will be reimbursed for their actual and necessary expenses incurred in the performance of the official duties for their position, provided that reimbursement shall always be at the lesser of the actual cost or the current Internal Revenue Service ("IRS") rates, unless otherwise approved by the City Council in advance or otherwise provided herein.

Expenses incurred in connection with the following types of events or activities will generally be authorized for payment or reimbursement:

- 1) Communicating with representatives of regional, state, national and international government on City policy positions.
- 2) Attending educational seminars, conferences, or activities designed to improve skills and information levels.
- 3) Participating in regional, state, national and international organizations whose activities affect the City's interests.
- 4) Activities that involve either: (1) City Employees or City Officials attending as a representative of the City events, including charitable events, which are sponsored, co-sponsored or organized by the City; or (2) City Employees, as part of their City job duties or responsibilities, organizing or assisting with the management or operation of events, including charitable events, which are sponsored, co-sponsored or organized by the City. To assist in the processing of payment or reimbursement requests, the Administrative Services Department will maintain a recommended list of such events, which shall include events that the City has agreed to organize, support or subsidize in some way, either by action of the City Council, Public Services Committee, or another standing City Council committee. Any City Official or City Employee can request that an event be added to the list. If the Department Director believes the event could be considered to be sponsored, co-sponsored or organized by the City, it can be added to the list, but final approval authority for a particular event shall rest with the person or body charged with approving the expenditure in compliance with this Policy, as provided for in the "Approving Expenses" section of this Policy.

- 5) Meetings with consultants, professionals, constituents, applicants or other private or governmental entities or agencies, which are necessary for the performance of their position.
- 6) Mileage reimbursement for round-trip commutes (from home to work location and back) while on standby duty.
- 7) For City Officials, mileage reimbursement for: (1) attending, as an invited representative of the City by a business, ground-breaking, grand opening or other ceremonial events, held in the state and open to the public, for the business if it already has a facility located in the City (limited to 10 such events per business per fiscal year); (2) attending, as an invited representative of the City by a regional, state, national or international government agency, ceremonial events held in the state by such government agency; (3) attending, as an invited representative of the City by a charity, charitable events held in the City; and (4) round-trip commutes (from home to a city facility and back) when attending a meeting of their legislative body or participating in another event or activity for which expenses are payable or reimbursable as described in this policy.

Unauthorized expenses

Expenses incurred in connection with the following types of events or activities will not be authorized for payment or reimbursed:

- 1) Personal portion of the trip, including expenses incurred for family member(s), friends and/or pets who accompany the City Employee or City Official on City business.
- 2) Political contributions or events.
- 3) Charitable contributions.
- 4) Except for mileage reimbursement for City Officials, as noted above, attending charitable events not sponsored, co-sponsored or organized by the City.
- 5) Entertainment expenses not directly required as part of attending a meeting/conference, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf-related expenses), or other cultural events. However, where the City is acting in a host capacity, those host-related expenses, including entertainment expenses and meals, may be paid or reimbursed with prior approval. For City Employees, the City Manager or Administrative Services Director may approve exceptions on a case-by-case basis. For City Officials, exceptions may be approved by the City Council on a case-by-case basis.

- 6) Personal automobile expenses, including traffic citations, other than mileage and toll charges that are otherwise payable or reimbursable under this policy.
- 7) Personal losses incurred while on City business.
- 8) Expenses for alcoholic beverages are not authorized for payment or reimbursable, unless an exception is approved in advance. For City Employees, the City Manager or Administrative Services Director may approve exceptions on a case-by-case basis. For City Officials, exceptions may be approved by the City Council on a case-by-case basis.
- 9) Expenses for trips involving an overnight stay or airfare by City Officials or City Employees, unless approved in advance as required by the "Planning a Trip to an Event or Activity" section of this policy.
- 10) Mileage or other expenses incurred when representing the City on a regional board, commission or other agency (e.g. WRCOG, RCTC, etc.) when such board, commission or agency allows for the payment or reimbursement by them of such mileage or other expenses.

These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of City travel or performance of official duties. Accordingly, the basic standard that should always prevail is to exercise good judgment in the use and stewardship of the City's resources. Any questions regarding the propriety of a particular type of expense should be resolved with the Administrative Services Director or, in the case of City Officials, with the City Council, before the expense is incurred. Specific issues not covered in this policy may be directed to the Administrative Services Director or, in the case of City Officials, the City Council.

City Officials please also note: Expenses that do not fall within the scope of this policy, and for which payment or reimbursement will be requested, must be approved by the City Council in a public meeting before the expense is incurred. Also, this policy does not address compensation paid to City Council members, which is governed by Section 2.08.120 of the Corona Municipal Code.

PLANNING A TRIP TO AN EVENT OR ACTIVITY

Prior to the Trip

CITY EMPLOYEES: When requesting to travel either overnight or via airplane, City Employees must request advance approval from the City Manager or his or her designee, using the City Employee Advance Travel Request form or similar form approved by the Administrative Services Department. Approval must be obtained prior to incurring any non-refundable expenses for the trip, including, but not limited to, event registration and flight or hotel reservations.

CITY OFFICIALS: When requesting to travel either overnight or via airplane, City Officials must request advance approval from the City Council, using the City Official Advance Travel Request form or similar form approved by the Administrative Services Department. Notwithstanding the foregoing, if the Mayor determines that last minute City Official travel is necessary and appropriate and that the City Council agenda deadlines cannot be met prior to the trip or prior to the need to incur a non-refundable expense, the Mayor shall have the authority to approve the advance travel request form up to a maximum of \$1,000 for the entire trip. Approval must be obtained prior to incurring any non-refundable expenses for the trip, including, but not limited to, event registration and flight or hotel reservations. In the event the Mayor approves an advance travel request form, such approval shall be reported to the City Council at the next available City Council meeting.

The Advance Travel Request forms can be found on the Infoweb, under Templates, in the Administrative Services – Finance folder.

Method of travel

When planning the transportation portion of a trip, all aspects of cost to the City, such as daily expenses, overtime, lost work time, as well as actual transportation costs must be considered. In general, common carrier (bus, train, or plane) is the preferred mode of transportation and these costs will be paid or reimbursed, as provided in this policy.

Approved air travel will only be paid or reimbursed at the coach class rate. Published government or group rates shall be used whenever available at the time of booking. Whenever practical, City vehicles, as defined in the City's Vehicle Use Safety and Procedures Policy (200.47) ("Vehicle Policy"), shall be used for travel, provided that City Employees and City Officials shall comply with the Vehicle Policy in order to use a City vehicle, and provided further that, unless an exception is approved in advance by the City Manager, City Employees who receive an auto allowance shall use their personal vehicle while conducting City business and no additional payment or reimbursement shall be provided for the use of their personal vehicle. The City Manager may approve such an exception, including for himself or herself, in those limited cases where it is not practical to use the City Employee's personal vehicle for the purposes contemplated.

A City Employee may submit a request to use a City credit card for the purchase of gasoline for a City vehicle. A City Employee's request must be approved by the employee's Department Director or the City Manager.

If a City vehicle is not available, or if there are other reasons a personal vehicle is driven, the City shall pay or reimburse either the cost of the most inexpensive means of transportation, or the actual mileage driven, whichever is less; provided, however, as discussed above, City Employees receiving a monthly auto allowance shall not have

their automobile transportation paid for and shall not be reimbursed for mileage when driving their personal vehicle.

When a City Employee is driving from home and the employee is being paid to work during the travel period, the reimbursable mileage is the actual mileage less the employee's normal commute to work with the exception of employees who are actively on standby duty. Normal commute is defined as the round trip mileage between the employee's residence and the employee's work location. If the actual mileage is less than the employee's normal commute, there is no reimbursement. The mileage rate is the Standard Federal Mileage Rate set by the IRS.

The most recent mileage rate can be found on the Infoweb, under the Reference Library, in the Administrative Services – Finance folder.

When a City Employee is actively on standby duty and is required to respond to a call which requires them to commute from the employee's residence to the employee's work location and back, the employee may be reimbursed for actual mileage. This item strictly applies to City Employees listed on the official standby list (for call outs after hours, during weekends and holidays), who are "active" during rotation, and are required to utilize their personal vehicle to travel from home to work and back in order to physically respond to the task(s) for which they are being called out. The standby mileage reimbursement is taxable under the IRC and will be reported on the employee's W-2.

To drive a personal vehicle on City business, the City Employee or City Official must:

- Possess a valid California driver's license;
- Carry liability insurance as required by the State of California; and
- Realize that any damage to their personal vehicle and/or service or repair occurring on the trip will be their responsibility, as these costs are included in the City's mileage reimbursement and/or auto allowance.

If transportation is needed at the destination, the use of public transit such as buses, streetcars, and subways are preferred when safe and practical. Taxi, Uber, Lyft and other ride-sharing service fares are allowable when public transit is not available or not practical. Receipts are required for payment or reimbursement on all transportation costs.

Compensation for travel time

When travel time exceeds the normal workweek, the City's rules for overtime apply to those City Employees eligible for overtime pursuant to applicable state and federal laws or as outlined in the various MOU's. In determining overtime compensation, normal commute time between the employee's residence and the employee's work location should be deducted from the total travel time. Additionally, normal unpaid meal periods

are not considered work time while traveling. Overtime eligibility applies equally to drivers and passengers, and should be granted whether the travel occurs during normal workdays or on weekends or evenings. City Officials are not compensated for travel time.

Lodging

Lodging may be approved for attendance at conferences, seminars or meetings that are in excess of 65 miles or one hour of one-way travel, between the meeting/conference location and the City Employee or City Official's work location or residence, whichever is closer. On a case-by-case basis, the City Manager may also approve, in his or her sole discretion, lodging for conferences, seminars or meetings that are located at a closer distance, if the Administrative Services Director is able to reasonably substantiate that paying for lodging is the most economically beneficial alternative for the City.

All lodging must be approved in advance as required by the "Planning a Trip to an Event or Activity" section of this policy.

Reasonable lodging expense will be paid at actual cost (including taxes and parking) for as many nights as necessary, provided that lodging was pre-approved, and the rates do not exceed the current rates established by the U.S. General Services Administration ("GSA"). If lodging is in connection with a conference or other organized activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor if such rate is available at the time of booking. The accommodations used should be economical and practical. In general, the most reasonably priced accommodations should be selected. Room service charges up to the current IRS per diem rate will be paid or reimbursed provided that such charges are City business related, otherwise permitted by this policy and substantiated with itemized receipts.

When making lodging reservations, "government rate" should be requested. Some cities exempt travelers on government business from the local transient occupancy tax (TOT). This can be as high as 12-15% savings on lodging costs depending on the local TOT rate.

PAYING AND REPORTING TRAVEL EXPENSES

Method of payment

The City will pay all actual and necessary expenses incurred in the performance of official duties as described in this policy. Expenses which the City will pay include transportation, lodging, registration fees, meals, and any other related expenses if they are for official business and fit within these guidelines.

There are three ways to pay for travel expenses: City credit card, direct vendor payment, and reimbursement.

A City credit card is the preferred method of paying expenses incurred in the performance of official duties. City Employees may use their City issued credit card, if applicable, or check out a department card while traveling on City business. Although City Officials are not issued credit cards, the Assistant to the City Manager maintains a credit card which can only be used to make authorized purchases for City Officials. All expenses charged on a City credit card must be substantiated with itemized receipts and reported pursuant to the procedure set forth below.

Direct vendor payments are made to an organization or business for specific costs related to official business. These types of expenses are usually for registration fees and lodging. Instead of paying with City credit card, the Administrative Services Department can pay the vendor directly. For direct vendor payments, a claim form with event and cost information and other appropriate supporting documentation must be submitted to the Finance Division for processing at least two weeks prior to incurring the expense.

Reimbursement occurs when expenses incurred in the performance of official duties are paid for by the City Employee or City Official, and reimbursement is requested after the fact. All expenses for which reimbursement is requested must be substantiated with itemized receipts and reported pursuant to the procedure set forth below.

Report travel expenses

Within 15 days of incurring any expenses in the performance of official duties, City Employees and City Officials shall report such expenses to the Administrative Services Department. Additional time may be authorized if deemed reasonable by the Administrative Services Director. Various forms can be used for reporting travel expenses, including claim forms, petty cash receipt forms (for claims under \$100), and monthly credit card statements with transaction details. A "Travel and Expense Reimbursement Form" can also be used for reporting expenses for multi-day travel by itemizing daily expenses. This form along with the claim form and petty cash receipt form can be found in the Administrative Services - Finance folder on the Infoweb, under Templates.

Regardless of the different types of forms used to report expenses, all expenses are required to be substantiated with proper support, including but not limited to itemized receipts, invoices, or hotel folio. For mileage reimbursement, documentation of miles traveled shall be provided in a method approved by the Administrative Services Department, which methods may include proven application for a computer, cell phone, tablet or other electronic device.

The City Employee or City Official requesting payment of the expenses and the official approving such expenses are each responsible for ensuring that:

- All expenses are reasonable, necessary, and consistent with this policy.
- Sufficient supporting documents are attached.
- The amounts reported are correct.

MAKING THE TRIP TO AN EVENT OR ACTIVITY

There are two key rules about making an official trip:

- Keep it official.
- Keep records for all payable or reimbursable expenses.

Keeping it official

Expenses incurred for personal matters will not be paid or reimbursed. If time is taken away from official business for personal matters, or if the return is delayed after completion of the event to attend to personal matters, any expenses incurred for such personal matters will not be paid or reimbursed. If a City Employee desires to combine business and personal travel in this manner, the written approval of the City Employee's Department Director, or the City Manager if the City Employee is a Department Director, is required prior to making travel arrangements. A City Official does not need to obtain prior approval before combining business and personal travel in this manner, but once again no expenses incurred for such personal matters will be paid or reimbursed. For City Employees, if the extended period required for personal matters occurs during regular scheduled work hours, the time must be counted as annual leave or leave without pay.

Keeping records for all payable or reimbursable expenses

As discussed below, under "Accounting for Expenses", a detailed record of all payable or reimbursable expenses incurred in the performance of official duties must be maintained and submitted. These include meals, transportation, lodging, parking fees, registration fees, and any other actual and necessary expenses.

Meal payments or reimbursements

Attendance at Business Meetings

The City will pay or City Officials and City Employees shall be reimbursed for the actual and reasonable expense for any meals incurred in connection with the following:

- 1) Communicating with representatives of regional, state, national and international government on City policy positions.
- 2) Participating in regional, state, national and international organizations whose activities affect the City's interests.

- 3) Meetings with consultants, professionals, constituents, applicants or other private or governmental entities or agencies, which are necessary for the performance of their position.

The IRS approved rates published by the US General Services Administration (“GSA Per Diem Rates”) shall be considered reasonable. Meal expenses exceeding the GSA Per Diem Rates shall be paid by the City Employee or City Official.

PLEASE NOTE: The GSA Per Diem Rates will be applied on a meal-by-meal basis and will not be aggregated to a daily or trip amount.

The GSA Per Diem Rates vary depending on the specific locality where the expenses are incurred. The current effective domestic per diem rates can be accessed from the GSA’s website at www.gsa.gov. The Administrative Services Department can assist you in determining the correct GSA Per Diem Rate based on the location where your expenses will be incurred and in accordance with federal regulations.

Attendance at Conferences and Seminars

The City will pay or City Officials and City Employees shall be reimbursed for the actual cost of the meals incurred in connection with attending educational seminars, conferences, or activities designed to improve skills and information levels up to the current GSA Per Diem Rates. Itemized receipts are required for payment or reimbursement.

Guidelines for meal payments or reimbursements:

- If meals are provided without charge at a conference or while in transit (meals served on a plane), no payment or reimbursement will be allowed unless the Department Director approves of the City Employee (or the City Manager approves if the City Employee is a Department Director) obtaining meals outside the conference or other than as part of a pre-paid meal while in transit. Payment or reimbursement will be made for actual and reasonable expenses that are substantiated with itemized receipts up to the GSA Per Diem Rates. No payment or reimbursement will be made without receipts.
- Meal payment or reimbursement does not include meals eaten prior to or after a trip. If travel on City business does not require a full 24-hour day, only meals that are required as part of the trip, as determined by the Department Director will be paid or reimbursed. As a general guideline, if a City Employee is being paid to work on the day that the expense is incurred, payment or reimbursement will not be provided for expenses incurred for meals that would typically be eaten before the City Official or City Employee normally leaves his or her home for work or expenses incurred for meals that would typically be eaten after the City Official or City Employee normally arrives home from work.

- If requesting a meal payment or reimbursement for a guest, the City Employee or City Official must include the name and business relationship of the guest to substantiate the expense. Only actual and necessary expenses incurred in the performance of official duties will be paid or reimbursed. Meal expenses of family members or those with a personal relationship with the City Official or City Employee will not be paid or reimbursed, unless a separate and defined business relationship is established and only if such payment or reimbursement is not prohibited by any other applicable laws, rules or regulations.

PLEASE NOTE: The GSA Per Diem Rates will be applied on a meal-by-meal basis and will not be aggregated to a daily or trip amount.

Taxation and reporting requirements regarding meals in reference to IRC Section 132(a):

- Payment or reimbursement for meals that are not included as part of an all-day conference when overnight stay is not required is taxable and reported on the City Employee's or City Official's form W-2.
- Payment or reimbursement for meals in connection with a conference that requires overnight stay is nontaxable.
- Payment or reimbursement for meals in connection with business meetings is considered to be business entertainment and is nontaxable.

It is the responsibility of the City Employee or City Official to note on all meal payment or reimbursement claims whether the payment or reimbursement is taxable or nontaxable according to the guidelines listed above.

ACCOUNTING FOR EXPENSES

In general and except as otherwise provided herein, expenses paid or reimbursed under an IRS Accountable Plan (defined on Page 1), such as this policy, are not considered income to the City Employee or City Official for federal income tax purposes. An IRS Accountable Plan is a reimbursement or other expense allowance arrangement that satisfies three basic requirements: a business connection, substantiation, and return of excess amounts. The requirements of an IRS Accountable Plan are applied on a case-by-case basis. If these requirements are not met, payment to an employee becomes a taxable earning and is reported on the employee's form W-2. For City Officials, a non-compliant payment is prohibited. Therefore, it is crucial that all City Employees and City Officials adhere to the requirements outlined in this policy.

Administrative Policy 01200.001 (Rev. 03-07-18)
Travel & Other Expense Reimbursement Policy
Administered by Administrative Services
Page 12 of 12

APPROVING EXPENSES

CITY EMPLOYEES: All expense payments and reimbursements shall be approved by the employee's department director and the Administrative Services Director. In addition, City Manager or City Council approval shall be obtained where required under this policy, including, but not limited to, pre-approval as required by the "Planning a Trip to an Event or Activity" section of this policy.

CITY OFFICIALS: All expense reimbursements for City Officials shall be approved by the City Council. In addition to the reporting obligations required by AB 1234 and discussed below, all City Official expense payments and reimbursements involving trips or other events for which pre-approval is required by the "Planning a Trip to an Event or Activity" section of this policy shall be approved by the City Council.

AB 1234 REPORTING FOR OFFICIALS WHO ARE MEMBERS OF A LEGISLATIVE BODY

At their next regular meeting, each City Official shall provide a brief report, either orally or in writing, on any meeting, event or activity attended at the City's expense. If more than one member attends the same meeting, event or activity, the members or the presiding official may designate one attendee to give the report and indicate those who attended, but the other attendees will be permitted to report as well.

This policy in no way supersedes or overrides the authority and/or limits of any other City policy or procedure, but works in conjunction. Likewise, no other policy or procedure supersedes or overrides the authority and/or limits of this policy.