

City of Palm Desert

Travel and Expense Reimbursement Policy City Elected/Appointed Officials and Employees

A. Policy

It is the policy of the City of Palm Desert that Officials and Employees exercise restraint and good judgment in the expenditure of tax payer money for travel. The City complies with AB 1234, California Government Code 53232 (which apply to elected and appointed officials) and all other related laws and regulations when authorizing and reimbursing the expenses of elected and appointed officials and City employees. The principal of “reasonable and necessary” shall govern decisions regarding incurring travel expenses.

B. Purpose

To set forth the policy and procedures for approval and reimbursement of expenses incurred by City Council members, appointed officials, members of special boards, commissions, committees, and employees while traveling overnight on official City business. This policy shall not apply to “local meetings”, commuter (local) training seminars and/or local City business expenses. These topics are covered by the City’s Local Meeting Policy.

The policy provides guidance in accordance with California Government Code Section 53232 et seq. It includes, but is not limited to travel, business meals, lodging, conference expenses, professional memberships, and other related expenditures incurred while conducting, and related to, official City business.

C. Definitions

For the purpose of this policy, the following definitions will be used:

- Elected Official - those individuals elected to the City Council.
- Appointed Official - appointed members of all Palm Desert Commissions, Boards and Agencies appointed and subject to the Brown Act and the City Manager, Assistant City Managers and Department Heads designated by the City Council to represent the City.

- Agency - the City Council, and all Palm Desert Commissions, Boards and Agencies.
- Employee - an individual employed directly and solely by the City, excluding independent contractors, subcontractors, and other persons performing work on behalf of the City but self-employed or employed by other persons, corporations or entities.
- Local Travel/Local Meetings – Travel within a 75 mile radius of City Hall which does not require an overnight stay, such travel and meeting costs are covered under the Local Meetings Policy.
- Out-of-State Travel – Any travel outside the State of California, including international travel.
- Reimbursable expense - Expenses incurred and paid for by Officials and Employees on authorized City business.
- Travel Expense Report – Form designated by the Finance Director and available on the Intranet, used for documenting all travel expenses.
- Travel Pre-Approval Form – Form designated by the Finance Director and available on the Intranet, used for requesting preapproval and authorization for travel on City business.
- Conference Rate(s) – The group hotel rate(s) advertised in a conference brochure for attendees of said conference.
- Per Diem – the daily rates for lodging, and for meals and incidentals, set by the Federal US General Services Administration (GSA) for specific geographical areas in the Continental United States and available at www.GSA.gov .
- Government Rate – A discounted daily lodging rate for Federal, State, and Local Government employees offered by certain lodging establishments.
- Meals and Incidental Expenses (M&IE) – M&IE allowance covers daily meals and snacks, and related tips and taxes; fees and tips given to, but not limited to, porters, baggage carriers, bellhops, hotel staff, and stewards/stewardesses; and mileage between places of lodging and places meals are taken.

- Conference/Seminar – A prearranged meeting for an exchange of information or discussion, organized by a professional association, group or training provider, with a published agenda and participants from various locations.

D. Specific Occurrences Qualifying for Expense Reimbursement (related to Travel)

Government Code Section 53232.2(b) requires the City to specify the types of occurrences that qualify an Official or Employee to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses. Accordingly, the following non-exclusive list contains expense authorized to be expended for official City business, including travel and related expenses, memberships in professional organizations, and subscriptions to business-related newspapers and journals. Officials and Employees are expected to exercise good judgment and show proper regard for economy when incurring expenses in connection with official City business.

The following classifications are identified as eligible for expense reimbursement:

- Meetings with government and business leaders;
- Conferences, training and educational trips on behalf of the City, including visiting other governments to discuss and observe best practices;
- Lobbying trips, when a benefit to the City can be defined, such must be reported to the State quarterly;
- Business-related trips where a benefit to the City can be defined;

Travel within the State of California does not require prior City Council approval, in an open meeting, if (1) it adheres to the adopted provisions of the travel reimbursement policy and (2) there are adequate budgeted funds. Travel outside of California, travel that does not conform to the policy, or travel that has not been adequately budgeted requires prior approval by the City Council in an open meeting. Typically Out-of-State travel is approved during the annual budget adoption process.

Examples of expenses that the City shall **not** reimburse include, but are not limited to:

- The personal portion of any trip;
- Spouses or any traveling companion accompanying an Official or Employee. Any and all expenses for traveling companions shall be paid by the Official or Employee;

- Family expenses, i.e. children or pet-related expenses;
- Laundry and entertainment expenses, including theatre, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
- Political, religious or charitable contributions;
- Non-mileage personal automobile expenses including repairs, insurance and traffic citations;
- Personal losses incurred while on City business;
- Valet tipping or other special services, including fitness center charges;

E. Approvals and Authorizations

This section addresses various levels of approval and authorization, and reporting requirements for public Officials.

1. Out-of-State Travel: Travel outside the state of California by Officials and Employees, including international travel, requires the prior approval of the City Council in an open meeting. The preferred method for obtaining approval is as part of the annual budget process, otherwise requests must be agendaized and approved prior to an expense being incurred.
2. All employee travel requires the approval of the Department Head, via the Travel Pre-Authorization Form, prior to any expenses being incurred.
3. The Finance Director shall determine if requested reimbursements and/or prepaid expenses are within the policy. The City Manager may, at his/her discretion, modify or approve travel reimbursements based on cost, efficiency or effectiveness in the conduct of City business.
4. In accordance with Government Code Section 53232.2 (f), any and all expenses that fall outside this policy must be approved by the City Council, in a public meeting (Council Members and Officials) or by the City Manager (Employees) prior to any expenses being incurred. Any extraordinary circumstance related to travel reimbursement shall be addressed by the City Council in an open meeting.

F. Transportation

1. Airline Travel

All Officials and Employees shall fly coach class on the lowest cost flight(s) available for the most direct route to the final destination, which could reasonably include scheduled layovers of 1.5 to 2 hours along the route. Travel arrangements shall be made with due regard to the needs of the employee and particular regard to cost efficiency and City requirements.

Airline travel may be booked directly with the carrier, arranged through a travel agent or booked through an internet service. The Official or Employee shall pay in advance using a personal credit card or other method and submit the cost for reimbursement. The cost of airline travel fluctuates daily; therefore, Officials and Employees shall document the process used (internet search, travel agent request, etc.) to substantiate that they obtained the most practical, cost efficient route and means of travel. Officials and Employees may be advanced airfare costs prior to the departure date, if they submit a receipt documenting these costs were paid by them. However, proof of travel must be provided within 30 days upon return, or the individual shall be required to repay the City for any advance. City will reimburse only the actual round-trip coach fare paid, including reasonable baggage fees. Officials and Employees may, at their own expense, upgrade their airline accommodations. The purchase of travel insurance is only reimbursable with the prior written approval of the City Manager.

2. City Vehicles

City Vehicles may be used for travel in accordance with the City's Fleet Policy, however, use of a City Vehicle for overnight travel outside the Coachella Valley is discouraged. In those cases where the use of a City Vehicle is appropriate and authorized, Officials and Employees will only be reimbursed out-of-pocket expenses such as fuel or vehicle repair that are substantiated by receipts.

3. Personal Vehicle

The use of a Personal Vehicle may be authorized in accordance with the City's Fleet Policy. In compliance with the Fleet Policy, the use of a personal vehicle will be reimbursed at the current mileage rate set by the I.R.S. for miles traveled to and from designated place(s) on City business. Prior authorization is required and Officials and Employees should review the Fleet Policy for other regulations prior to travel. The following requirements apply to the use of a personal vehicle for City travel:

- a) Mileage reimbursement will be calculated based on the number of miles from the Official or Employee's home (for trips that originate at home) or City Hall, whichever results in the least number of miles.

Example: Two employees are traveling to Ontario Airport. Jane Doe lives in Palm Springs, and John Smith lives in Indio. Jane Doe will be reimbursed based on the mileage from her home and John Smith will be reimbursed based on the mileage from City Hall.

- b) Officials and Employees are encouraged to coordinate travel arrangements, and carpool whenever practical to reduce the expense to the City and the environmental impact. In such cases the primary driver shall receive mileage reimbursement for their trip including reasonable additional miles driven to pick up colleagues.
- c) Officials and Employees are required to substantiate mileage claims. The preferred method of doing so is by attaching a route printout from either www.maps.google.com or www.mapquest.com to their Travel Expense Report. Travelers who are claiming miles greater than those shown on these services may submit additional documentation (odometer readings, logs, etc.) subject to the approval of their Department Director and the Director of Finance.
- d) Officials and Employees, who choose, for personal reasons, to travel by personal vehicle to and from a destination rather than flying, will be reimbursed for the lowest cost method of transportation. Travelers shall provide documentation for the lowest cost of public transportation (i.e., airfare, bus, train, etc.) with the Travel Pre-Approval Form, a minimum of 30 days before the departure date. Parking fees will only be reimbursed if these expenses would have qualified for reimbursement had the traveler used public transportation.

Example: Stan travels to a meeting in Sacramento, and chooses to drive rather than fly. Mileage at 500 miles each way would be \$500, but roundtrip airfare is \$350, plus \$20 shuttle to his hotel. Stan is eligible for a maximum transportation reimbursement of \$370.

- e) Miles driven between lodging and dining are not reimbursable, but are included in the Per Diem M&IE allowance.

4. Vehicle Rentals, Taxi, Shuttle, Peer to Peer (Uber) and Public Transit Fares

Officials and Employees should choose the lowest cost for ground transportation, taking into consideration reasonable travel time and other related cost factors such as parking. Reimbursement for any particular mode of transportation is approved by

the Department Head based on the least total cost to the City, with due consideration to reasonableness and time constraints.

- a) Taxis, shuttles and public transit may be reimbursed up to a maximum of \$70 per day. Receipts are required for reimbursement of taxi and shuttle fares.
- b) Vehicles rented at the travel destination may be reimbursed provided there is a business reason or economic benefit to support the rental decision. Reimbursements are limited to cars defined as “full-size” or smaller in capacity. Vehicle rental must be substantiated with receipts and may include appropriate insurance coverage. If vehicle rental is not pre-approved or does not meet this policy and is subsequently denied, any related parking/toll fees shall also be denied and the Official or Employee will be reimbursed an amount equivalent to round trip shuttle charges.
- c) Vehicles rented for use as the primary means of transportation from an Official’s or Employee’s home to the airport or to the travel destination will be in accordance with the City’s Fleet Policy. Such rental will be reimbursed at actual costs (including applicable insurance coverage) not to exceed the equivalent mileage or airline reimbursement, whichever is less cost to the City.

5. Parking Expenses and Tolls

Necessary parking fees for private or City vehicles shall be reimbursed provided that receipts are submitted and that the most cost effective parking method is chosen. Short-term airport parking is authorized for trips lasting less than 24 hours; long-term airport parking must be used for trips exceeding 24 hours.

Actual amounts paid for toll road use will be reimbursed. Officials and Employees should document the amount paid for toll roads and submit such documentation with the Travel Expense Report.

G. Meals and Incidental Expenses (M&IE)

This section refers to meals and incidental expenses incurred during attendance at conferences, seminars and other business meetings occurring further than 75 miles away from City Hall or the Official or Employee’s home (whichever is closer) and which reasonably require an overnight stay. Reimbursement for meal expenses incurred during one-day seminars or business meetings are addressed in the Local Meetings Policy and are considered taxable income to the recipient. As such, they are subject to employment tax withholding.

1. Amounts available for M&IE will be determined by the applicable GSA Per Diem rate for the geographical area being visited. Individual rates can be found at www.gsa.gov.
2. For the first and last day of travel, Officials and Employees are limited to 75% of the applicable per diem rate for M&IE.
3. Attending conferences where meals are available, such as a lunch, does not result in a reduction in the M&IE per diem rate.

Example: Stan attends a three day conference, which includes lunch on day two, but no reduction in his M&IE per diem is made.

H. Lodging

Overnight lodging is authorized, with prior approval, when the travel destination is greater than 75 miles from City Hall or the Official/Employee's home (whichever is closer to the destination). Lodging may be authorized, with prior approval by the City Manager, for locations between 50-75 miles from City Hall or the Official/Employee's home (whichever is closer to the destination), if an employee is required to travel such distance for two or more consecutive days, and/or would result in a greater than 1.5 hour one-way commute.

Lodging may be pre-paid by the City or reimbursed to the traveler after the trip. Detailed receipts are required to be submitted with the Travel Expense Report regardless of whether the cost was pre-paid by the City or a reimbursement is requested. Lodging choices should be guided by necessity, practicality and cost effectiveness. Travelers should request and utilize the government rate for lodging whenever possible and when such rate is less than any other rate. In the absence of an organized conference rate, either the GSA Lodging Per Diem rate for the particular travel destination or government rate can determine reimbursement, unless otherwise noted below.

The amount authorized and/or reimbursed is controlled by the following factors:

1. Conferences: Officials and Employees attending conferences where lodging is appropriate and necessary may pre-pay or be reimbursed for lodging in an official Conference hotel at the published Conference rate, provided such hotels and rates are available at the time of booking. *If the Conference rate is not available at the time of booking, the Official or Employee should first request a room at the government rate; if one is not available they are eligible for reimbursement for lodging at another similar, reasonably close, hotel, in an amount up to the conference rate.*

2. Seminars: Officials and Employees attending seminars at locations greater than 75 miles from their home or City Hall (whichever is closer) are eligible to have the City prepay the hotel or be reimbursed for lodging at a rate up the GSA Lodging Per Diem for the travel destination, or applicable government rate, whichever is less. Prior approval of the department head and the City Manager is required before any expense is incurred and both rates shall be clearly indicated on the request.
3. Occupancy Taxes and Fees: Both the GSA Per Diem and government rates for lodging apply to the lodging rate only. They do not include occupancy taxes and related fees (i.e., utility fees), which vary from place to place, and are eligible for reimbursement at the actual amount paid. Other discretionary hotel charges (including but not limited to, room service, fitness centers, movies, etc.) are not eligible for reimbursement.

Example: Lodging is \$100, Taxes, Resort Fees, Utility Fees are \$12.50, and an in-room movie is \$15.00 – the employee is eligible for reimbursement of \$112.50.

4. Receipts required: Officials and Employees are required to submit receipts for lodging with their Travel Expense Report, regardless of whether the costs were prepaid or a reimbursement is requested.
5. Credit card charges: Due to the practical challenges of using a City credit card for room reservations, the preferred method of arranging for lodging is for the traveler to make a reservation using a personal credit card or other method. Employees may then prepay the charges using the City's regular accounts payable procedures, or request reimbursement after the trip. If alternate methods aren't available, employees may request authorization to use the City credit card (if available) to reserve a room by submitting the appropriate Credit Card Authorization Form to the Finance Department.
6. Number of nights authorized: Lodging is authorized for either the night before a conference, general business meeting or other authorized event, or the night following the last day. Only in extraordinary circumstances (such as the need to arrive early or travel very late) shall lodging for both nights be authorized and then only with the prior written approval of the Department Head and City Manager, via the Travel Pre-Authorization Form.

Examples: Stan travels to the League of California Cities Meeting, which starts Monday at 9:00 a.m. and concludes Wednesday at 1:00 p.m. He is authorized for lodging on Sunday night or Wednesday night, but not both.

Stacy travels to a professional conference, which begins on Monday at 8:00 a.m. and concludes Wednesday at 5:00 p.m. The earliest flight leaves at 8:00 p.m.,

arriving in Palm Springs at midnight. Stacy may be authorized, with prior approval, for lodging on Sunday and Wednesday nights.

I. Other Reimbursable Expenses

This section provides guidance on the reimbursement of expenses categorized elsewhere in the policy.

1. **Tips and Gratuities:** Tips and gratuities are considered incidental expenses and are therefore included in the per diem amount for M&IE. They are not eligible for separate reimbursement.
2. **Registration Fees:** The preferred method for paying convention or meeting registration fees is to prepay them through the City's regular accounts payable process. Registration fees that were not pre-paid and are paid by Official or Employee are eligible for reimbursement, provided receipts for payment and proof of attendance are provided with the Travel Expense Report. Proof of attendance may include, but is not limited to, event branded name tag, seminar or workshop agenda obtained at the event, certificate of completion, or other record of attendance.
3. **Data and Telephone Access:** Telephone, internet access usage and fax expenses incurred to conduct City business may be reimbursed up to a maximum of \$20 per day. Receipts are required for reimbursement. Officials and Employees are eligible for reimbursement for up to two personal telephone calls of reasonable duration per day.
4. **No Show and Late Cancellation Fees:** In situations where an Official or Employee does not attend a conference, seminar or general business meeting and costs are incurred for that event (e.g. conference fees, prepaid hotel charges, airline charges, etc.) they shall make every effort to ensure any and all fees prepaid by the City are refunded to the City. Official or Employee shall seek refunds for costs such as hotel cancellation and airline charges. A written explanation addressing the reason(s) the Official or Employee was unable to attend shall be attached to the Travel Expense Form documenting the expenses incurred and shall be subject to City Manager approval prior to any reimbursement.
5. **Miscellaneous:** It is the policy of the City that no Official or Employee shall sustain personal monetary loss as a result of duties performed in the service of the City, however all expenditures and requests for reimbursement shall logically relate to the conduct of City business and shall be necessary to accomplish the purposes of such business and shall be reasonable in amount.

Expenses not otherwise classified shall be considered in this category and may include such things as public stenographer fees, duplicating expenses, memberships in professional City-related organizations, and the cost of publications of value to the City or to the Official or Employee in furtherance of his/her official duties. Other necessary expenses incurred when traveling on City business may be allowed, however they require documentation and are subject to approval by the City Manager.

J. Additional Guidelines

1. Prepayment: Whenever practical, Officials and Employees should arrange for travel related expenses (i.e., registrations, lodging, transportation, etc.) to be directly billed to the City or prepaid through the City's regular accounts payable process.
2. Advances: Advance payments for travel expenses may be authorized. Officials or Employees requesting advances should submit their request via the normal accounts payable process by attaching a voucher to the approved Travel Pre-Authorization Form and obtaining the approval of their department head. Individuals should allow ample time, a minimum of two weeks, for processing. Advances must be cleared by the submission of a Travel Expense Report, and the return of unused funds, within 30 days of return from travel.
3. Government Code and AB 1234 Compliance: It is the policy of the City that any and all reimbursements provided to elected and appointed officials comply with Government Code 53232-53232.4 and AB 1234.
 - a. Public Meeting Reports: An Elected Official requesting reimbursement shall provide a brief report on meetings attended at the expense of the agency at the next regular meeting of the agency. Such reports may be made orally or in writing. Routine business meetings may be reported in writing on the consent calendar of the agenda. Reports are not required for Local Meetings as defined in the Local Meetings Policy.
4. Violation of this Policy: Pursuant to Government code Section 53232.4 misuse of public resources or falsifying expense reports may result in any or all of the following:
 - a. Loss of reimbursement privileges;
 - b. A demand for restitution to the City;
 - c. The City's reporting the expenses incurred by or paid to the Official or Employee as taxable income to state and federal tax authorities;

- d. Civil penalties of up to \$1,000 per day and three times the value of the resources used; and
- e. Prosecution for misuse of public resources, pursuant to Section 424 of the California Penal Code. Employees who violate this policy may be subject to discipline up to and including termination.

5. Non-Exempt Employees: Travel Away From Home Overnight on a Work Day

a) Travel During the Workday

Travel during the workday, after the employee has reported to work, is hours worked for the City of Palm Desert unless it is in connection with a bona fide meal break. However, travel from the employee's last work location to home is not compensable. Supervisors should not require employees who will be traveling during the work day to report to their normal work site at the start or the end of their shift unless it is truly necessary for the employee to report to such location.

b) Travel Outside the Workday

Overnight travel, or Travel Outside the Workday, is considered hours worked by the employee if it occurs:

1. During regular work hours; or
2. On an off day during the employee's normal work hours; or
3. Outside of work hours, if the employee has to drive to the location.

If the employee travels on public transportation (i.e., bus, train or airplane) or as a passenger in an automobile, the time is non-compensable. If the employee is offered public transportation for travel outside of normal work hours and declines the offer, the City will count as hours worked either the following, whichever is less: 1) the time spent driving the car; or 2) the time the employee spent traveling on if they had used public transportation.

K. Procedures for Reimbursement of Travel Expenses

Officials and Employees shall submit Travel Expense Report Forms to the Finance Department within 30 days of their return from the subject travel, accompanied by receipts and other documents substantiating expenditures and attendance. Receipts are

required for all expenses except those included in the M&IE per diem and tolls. Any expense not included within the M&IE or substantiated by receipts or other documentation will not be reimbursed and will be considered a personal expense. Required documentation may include, but is not limited to:

- a) Detailed credit card or cash payment receipt issued by the vendor
- b) Hotel receipt
- c) Transportation, taxi or shuttle receipt
- d) Mileage verification in the form of map service printouts
- e) Conference Brochure, including “conference rate” for lodging
- f) Certificate of Completion, meeting agenda, branded name badge or other proof of attendance;
- g) Statement of trip or meeting purpose
- h) Travel Pre-Authorization Form
- i) Council Actions approving travel