



TRAVEL EXPENSE POLICY

POLICY NO: 205-P

Purpose:

The purpose of this policy is to establish a travel policy for elected officials and City employees when attending business or professional conferences, training seminars, or other travel on authorized City business.

Authorization:

Any travel on City business shall be authorized in advance by the Department Head by completing a Professional Development Request form. For Department Heads, any travel on City business shall be authorized in advance by the City Manager on said forms. For travel in excess of 24 hours or out-of-state travel, such as workshops, conferences, or seminars (in accordance with the Professional Development Policy), the cost of such trip must be included in the annual budget. If no funds were budgeted, this fact must be stated at the time of the travel request.

Local Travel:

City Employees and elected officials who use a privately owned vehicle for City business may be reimbursed. The amount to be reimbursed will be in accordance with the Internal Revenue Service (IRS) [Standard Mileage Rate Method](#). When traveling from home to a destination (not the official work location), the shorter of the two distances from home to the destination OR official work location to the destination should be claimed. Carpooling shall be encouraged.

Expenses related to vehicle maintenance, such as oil changes, antifreeze, towing, and similar costs, are not eligible for reimbursement when using a privately owned vehicle.

Reimbursement for out-of-state travel by privately owned car (including mileage, lodging, per diem, and tolls) is limited to the equivalent cost of economy-class airfare.

An employee using a City-owned vehicle on City business is reimbursed for gasoline and other operating expenses incurred while using the vehicle. Appropriate documentation for all such expenses must be submitted with the [travel expense report](#).

Out-of-State and International Travel:

All requests for City travel outside the continental United States must be submitted during the budget process for budget approval by the City Commission. International travel will require advance review and approval by the City Manager and is limited in expenses up to the defined spending authority of the Department Head with the City's Purchasing Policy. National conferences that are out of state are limited to one employee per year per department and

international travel is limited to once every five (5) years. The City Manager has discretionary power to make decisions that deviate from established policies when necessary or appropriate. Additionally, decisions made outside the scope of established policies will be well-documented and communicated appropriately to relevant stakeholders.

Travelers should convert all foreign expenses to U.S. currency before submitting a Travel Expense Report. Official documentation of the exchange rate at the time of travel (e.g. bank receipt) must accompany all original itemized receipts.

The City is not obligated to reimburse employees for travel expenses that do not comply with the Travel Policy or are not approved by the City Manager before the travel begins. For example,

Expense Included:

A. **Registration Fees:** Costs of registration for the employee for conferences, formal events, workshops, seminars, field trips, etc., as part of the authorized event or function. Travel to programs sponsored by recognized professional associations outside of the 48 contiguous States requires prior approval of the City Commission but shall be limited to every five (5) years per employee. Travel outside of North America is not authorized under this Policy.

B. **Lodging:** Hotel and use taxes, applicable to lodging charges are reimbursable. This does not include the State of Michigan Sales Tax. Receipts for lodging expenses are required. Any change in hotel location during continuous occupancy by an employee must be explained on the travel expense report. Reimbursement for hotel or motel room expenses will be made for a standard single room. Any cost for the upgrade of a room will be the responsibility of the employee. The City prohibits room sharing with unrelated City employees.

C. **Other transportation:** Actual expenses for train, bus, taxi, Uber/Lyft, airplane, etc., shall be based upon coach fares or the most economical fare available.

The use of commercial airlines is permitted when it is to the advantage of the City as measured by both comparative travel costs and the time of the traveler. The employee will be responsible for the additional cost of accommodations greater than economy class if that is available.

Due to any changes to reservations that are the result of an employee's personal non-emergency issue, the employee will be responsible for any additional cost incurred by the City.

D. **Car Rental and Parking:** Actual expenses for car rental or parking. Individuals shall attempt to secure the lowest rate available if it is necessary to rent a vehicle or to pay for parking. The cost for any upgrades from a compact vehicle will be the responsibility of the employee. There is no need to purchase insurance when renting a vehicle since it is covered under the City's insurance policy. Reimbursement for a rental vehicle precludes any reimbursement for local travel costs at the conference site.

E. **Meals and incidental expenses:** The cost of meals while traveling is an allowable expense. If a meal is provided at the hotel or as part of the conference, no additional amount will be reimbursed. If a conference-provided meal does not accommodate a documented

dietary restriction, reimbursement for a substitute meal may be allowed. The actual cost of any meal will be reimbursed up to the cost of the U.S. General Services Administration Meals and Incidental Expense (M&IE) rate posted on the GSA Web page (<https://www.gsa.gov/travel/plan-book/per-diem-rates>) Incidental Expenses are included in the M&IE rate and will not be reimbursed separately. Meal receipts are not required when using the M&IE rate.

The table below is to be used on the first day of travel, the last day of travel, OR when travel occurs in a single day

<u>Departure Time</u>	<u>Return Time</u>	<u>Maximum Allowance</u>
Before 8:00 a.m.	After 6:00 p.m.	100%
After 8:00 a.m.	After 6:00 p.m.	80%
Before 8:00 a.m.	Before 5:00 p.m.	50%
After 8:00 a.m.	Before 5:00 p.m.	30%
Before 12:00 Noon	Before 12:00 Noon	0%
After 12:00 Noon	After 12:00 Noon	0%

The cost for any additional activities provided outside the conference will not be allowed.

Reimbursement:

Items A, B, C and D above shall be reimbursed only upon presentation of a receipt showing evidence of the expense that was incurred unless otherwise approved by the City Manager. These should be attached to a [Travel Expense Report](#). Complete the report form and the form should be signed by the Department Head. In the case of Department Heads, their forms should be signed by the City Manager. Item E shall be verified by the Department Head and the appropriate amount shall also be included in the [Travel Expense Report](#). The form and receipt must be submitted within thirty (30) calendar days of the conclusion of the program.

Preplanning is encouraged, and paying for registration, lodging, and transportation in advance to the respective vendors is recommended.

Non-Reimbursable Travel Expenses:

Sales Tax: As a governmental entity, the City of Traverse City is not subject to state sales tax. Sales tax should not be paid on any item purchased for the exclusive use of the City. The City of Traverse City’s tax-exempt number is 38-6004740. The Sales and Use Tax Exemption certificate is available on the City website or a request.

Non-reimbursable expenses include, but are not limited to, the following:

- Expenses for a spouse or companion shall be the sole responsibility of the employee, not the City
- Additional charges for hotel or room upgrades or special “club” floors
- Alcoholic beverage(s)
- Airline baggage fees for stays of two nights or less (unless the airline charges for carry-on luggage)
- Coat check services
- Costs associated with extended stays (including transportation)

