

City Manager's Directive 028

Travel Policy



**City of
Santa Clara**
The Center of What's Possible

POLICY

The City of Santa Clara (the "City") expects to pay all reasonable costs incurred by City employees traveling on approved City business; and City employees are expected to use sound fiscal stewardship when expending public funds, and to travel in the most logical and least expensive manner possible.

PURPOSE

The purpose of this Travel Policy (the "Policy") is to define the City's expectations of its employees who travel in connection with their work responsibilities and to clarify which expenses the City will fund and which expenses are considered the personal responsibility of the traveler. This policy is not intended to cover short trips during work hours made by employees in the course of their regularly assigned work duties.

Local Travel

Local travel is travel necessary to conduct official City business and is performed by the most direct route within and adjacent to an employee's official worksite. Local travel is defined as less than 50 miles from the employee's home or place of business, whichever is the shortest distance. Compensation shall be based upon the number of miles between the travel destination and either the employee's designated work location or residence, whichever is the shortest distance. The City will not pay for lodging or per diem meal expenses related to local travel as defined above. The City will pay for transportation and parking costs related to the local travel.

Employees can settle their allowable local travel expenses through the petty cash reimbursement process if the request is less than the petty cash limit at the time of reimbursement. Requests larger than the petty cash limit require an accounts payable request for payment.

Conference and Meeting Attendance

City employees shall be authorized to join professional and public organizations and attend the meetings and conferences held by such organizations subject to adequate budget appropriations and adherence to this policy.

General Procedures and Guidelines

The Policy shall be reviewed annually by the City Auditor's Office to ensure its consistency with respect to the City's objectives and any modifications must be approved by the City Manager.

Travel Authorization

A. City Manager Pre-Travel Authorization Form Required.

City Manager (or designee) authorization is required in advance of travel or the commitment of City funds for the following:

- Travel by Department Directors
- Out-of-State travel by any staff
- Any exception to this policy

Authorization shall be sought via submittal of a Pre-Travel Authorization Form (Attachment A).

B. Department Director Pre-Travel Authorization Form Required.

In-state, overnight travel requires the approval of a Department Director via submittal of a Pre-Travel Authorization Form in advance of travel and the commitment of City funds.

C. Department Director or Designated Supervisor Authorization Required.

A pre-travel authorization form is not required for local travel as defined above, where meal reimbursement, overnight or out-of-state travel is not concerned. Employees are required to obtain approval from their supervisor prior to any business travel for which the City is expected to pay for mileage, bridge tolls and/or parking. This approval can be via email, with a copy of email approval submitted with travel costs. Itemized receipts are necessary to receive reimbursement for all expenses whether through petty cash or accounts payable request for payment. An employee may not approve their own travel documentation under any circumstances.

Travel Arrangements

Travel arrangements shall be made as far in advance as possible to obtain the best possible fares and rates. Registration for conferences and training shall be made far enough in advance to take advantage of early (discounted) fees, and to avoid late

registration fees. If travel arrangements must be cancelled for any reason, the person who made the arrangements shall cancel them in sufficient time to prevent the City from incurring unnecessary costs when possible.

At the Department Director's discretion, one or more persons may be designated as a Travel Coordinator and be assigned responsibility for making travel arrangements for all business travelers within a department. It is the City's preference that all travel be booked by designated Travel Coordinators using their City Procurement Cards to secure travel arrangements ahead of all travel. Individual travelers may make their own travel arrangements with their personal credit cards and be reimbursed if it is not feasible for a travel coordinator to do so.

Transportation

Travelers shall use whatever mode of transportation is the most reasonable and least expensive. When planning the transportation portion of a trip, the employee shall consider all aspects of cost to the City including daily expenses, overtime, lost work time as well as actual transportation costs.

Use of a mode of transportation other than the most reasonable and least expensive must be documented and have advance approval from the employee's Department Director. The City will pay only the cost of the most reasonable and least expensive mode. If the mode of transportation is determined to be a City vehicle, the traveler shall comply with the City Manager's Directive (CMD) 21 Use and Maintenance of City Vehicles Including General Government/Public Works Pool Vehicles. The difference between the selected mode and the least expensive mode shall be documented and considered the employee's personal expense at the time of travel authorization. This paragraph does not apply to special accommodations made to qualified employees under the Americans with Disabilities Act provided that the alternate mode of transportation is approved in advance.

A. Air Travel.

Employees shall not limit their air travel options by specifying an airline. The airline offering the lowest fare for a reasonable route shall be selected.

B. Use of Personal Vehicle.

With the exception of employees who have been assigned a City vehicle or who receive a car allowance, employees shall be compensated for the use of their private vehicles for business travel at the current IRS standard mileage rate, provided that it is the most reasonable and least expensive method of transportation. Compensation shall be based upon the number of miles between the travel destination and either the employee's designated work location or residence, whichever is the shortest distance.

Employees that receive a car allowance and are required to travel greater than 50 miles from their work location or residence, whichever is the shortest distance, are eligible to be compensated for the use of their private vehicle for business travel at the current IRS standard mileage rate for miles traveled over 50 each way of the trip (e.g. if travel destination is 80 miles from the work location and 70 miles from the residence, then the employee will receive reimbursement for 20 miles $(70-50=20)$).

Employees who do not receive a car allowance may also be compensated at the current IRS standard mileage rate for the use of their private vehicles for routine travel on City business between City facilities or to other locations in Santa Clara or the adjoining communities. Compensation shall be based upon the number of miles between the travel destination and either the employee's designated work location or residence, whichever is the shortest distance. Employees must keep a log of such routine travel using the Mileage Reimbursement Log (Attachment C). Expense reimbursements for this type of mileage must be submitted monthly.

The City will reimburse all expenses, such as bridge tolls and parking fees, incurred as the result of an employee's authorized use of a vehicle while traveling on City business. Employees requesting reimbursement for the payment of such expenses shall obtain itemized receipts and submit them as part of their travel expenses on the Travel Expense

Form. Also, whenever possible, employees attending the same event shall travel together to minimize expenses.

To drive a City or privately-owned vehicle on City business an employee must possess a valid California driver's license. An owner/driver of a privately-owned vehicle used for City business must carry adequate liability insurance coverage in accordance with applicable State law, and be responsible for any damage, service, or repair to the car occurring on the trip, as these costs are included in the City's per mile cost reimbursement.

In addition, the employee shall charge any additional personal time spent outside of the normal reasonable travel time during normal work hours to vacation or a similar leave.

C. Train and Other Mass Transit.

Employees shall be compensated for train or other mass transit fares and fees provided that it is the most logical and least expensive method of travel to the conference, conference related events, or meeting site. Any incremental cost beyond the basic cost required for the employee to attend a conference or meeting shall be paid for by the employee. In addition, the employee shall charge any additional personal time spent outside of the normal reasonable travel time during normal work hours to vacation or a similar leave.

D. Ground Transportation at Destination.

Supplementary transportation within the destination city shall be accomplished by hotel courtesy buses or local shuttle services, if available. Taxi or ride-share (Uber/Lyft) service shall be used only when no other convenient, less costly mode of transportation is available for the employee to travel to the conference, conference related events, or meeting site. Any incremental cost beyond the basic cost required for the employee to attend a conference or meeting shall be paid for by the employee.

E. Rental Vehicles.

Rental vehicles shall be used only when no other mode of transportation is available or when alternate transportation would be more expensive or impractical and must be authorized in advance by the Department Director. If a rental vehicle is authorized, employees shall request the least expensive vehicle category that meets their needs. Employees are required to purchase and shall be reimbursed for optional insurance coverage for the rental vehicle. Optional insurance coverage shall include Damage Waiver (DW) (also referred to as Collision Damage Waiver (CDW)) and third-party liability coverage.

F. Travel Time.

Travel time is compensable under certain conditions identified in the Fair Labor Standards Act (FLSA). As a charter city, the City follows current FLSA regulations for determining the compensability for travel time. The FLSA regulations are available at:

<http://www.dol.gov/whd/regs/compliance/whdfs22.htm>

Lodging

The City will pay lodging expenses for approved City travel, including the evening preceding or subsequent to a meeting or business event when the employee would otherwise have to travel from his/her residence before 6 a.m. or after 9 p.m. to reach or return from his or her destination. Local travel, as defined previously in this policy, does not qualify for City paid lodging expenses.

Employees are expected to use the most cost-effective lodging reasonably available. When a conference or training session is held at a specific hotel, the City shall pay for actual lodging expenses up to the standard lodging rate advertised by the conference or training sponsor unless approved by the Department Director as part of the travel authorization process.

When there is not a specific lodging site associated with official City business, the City shall pay for actual lodging expenses up to the



GSA maximum rate allowed by location (<http://www.gsa.gov/perdiem>). Note that the GSA maximum rate applies to the base room rate only and does not include taxes. Any exception to applying the GSA rate due to the current market rates in the area of travel must be documented in writing and approved, pre-travel, by the Department Director.

Every effort shall be made to obtain lodging at or near the facility where official City business is to take place to minimize travel time and transportation costs. The lodging should also be clean, safe and appropriate for business travel. Government rates are often available and should be sought. The City will pay for standard room accommodations at the most cost-effective lodging reasonably available. Any incremental cost beyond that of a standard room shall be paid for by the employee unless a written exception has been approved by the City Manager (or designee).

Room reservations may be made in advance using a City procurement card and the employee should request a copy of the hotel's credit card authorization receipt as applicable. This will be used to authorize the hotel to charge the total room cost, including all taxes, on the Travel Coordinator's purchasing card. Employees shall personally pay for any additional expenses incurred, such as movie rental, mini-bar bills, room service, etc.

Employees shall cancel any reservations for lodging they will not use. Any charge for an unused reservation shall be considered the employee's personal expense unless failure to cancel the reservation was due to circumstances reasonably beyond the employee's control.

Meals

A. Overnight Travel

The City will pay for an employee's meals during authorized travel, including tax and tips and incidentals, up to the per diem amount established by the GSA for the destination location (available at: <http://www.gsa.gov/perdiem>) for a full day of travel. Per GSA, rules, employees are only eligible for 75 percent of the total per diem amount on the first and last travel day. The Meals & Incidental Expenses (M&IE) column will be used to generate the per diem rate for meals. Use the guide on <http://www.gsa.gov/mie> to breakdown

the per diem amount for each meal. For any meal that is provided by the conference or hotel the appropriate meal amount listed on <http://www.gsa.gov/mie> must be deducted from the reimbursement request.

The City will not pay for the following:

- Meals that the employee elects to purchase from another source when the meals are included in the cost of a conference, training registration fee, or hotel stay. In the event an exception is granted due to dietary restrictions, the meal will be reimbursed on an actual expense basis, up to the applicable GSA rate.
- Alcoholic beverages.

B. Non-Overnight Travel

With regard to partial days of travel that is not overnight but exceeds the local travel guidelines detailed above, the City will pay for meals on a pro-rated basis using GSA meal amounts, as follows:

- If the partial day includes travel before 8 a.m., the City will pay for the employee's breakfast.
- If the partial day includes travel between 11 a.m. and 1 p.m., the City will pay for the employee's lunch.
- If the partial day includes travel after 5 p.m., the City will pay for the employee's dinner.

Miscellaneous Fees/Business Expenses

A. Gratuities/Tips.

The City will pay reasonable and customary gratuities and tips during City business travel, which are included in the standard per diem rate per GSA guidelines.

B. Business Expenses.

The City will pay for goods and/or services deemed necessary for the completion of official business, such as printer, copier, and computer usage, etc.; for internet usage at actual cost and for all business telephone calls. Cellular phones are often more cost-effective than using hotel phones

directly and should be considered as a primary option. Whenever possible, employees shall anticipate the need for supplies and shall take whatever they will need with them instead of buying supplies at their destination.

C. Baggage Fees.

If the airline charges for all checked baggage, the City will cover the cost for one checked bag only. Excess baggage charges are not reimbursable.

D. Personal Expenses.

Personal expenses will not be paid by the City. In addition to those items identified as personal expenses throughout this Policy, personal expenses include early bird flight check-in fee, change flight fee (except as otherwise set forth in this Policy), personal transportation costs outside of the conference or conference event site, personal telephone calls, in-room movies, spas and gyms, optional recreational events in connection with a conference, laundry or dry cleaning, miscellaneous sundries, or other items of a personal nature.

Personal travel shall not be mixed with business travel if it will result in (1) additional costs to the City, (2) employee engaging in personal travel while be compensated, or (3) harming the City's interest in any way. Any extension of a trip for personal travel must be accompanied by Director approval and supporting documentation of what the trip would have cost with the original business itinerary. The City will reimburse the lesser of the original business itinerary cost or the extended trip cost due to personal travel. Any additional cost from the original business itinerary must be covered by the employee. The City will not pay for any expenses of a spouse or other person who accompanies an employee on business travel.

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Settlement of Trip Expenses

Payment of travel expenses incurred during the trip using City procurement cards is not permitted. Purchase cards may be used to pre-pay expenses such as flights, hotel, car rental, or conference registration (preferably by a Travel Coordinator) or may pay these expenses by invoice through accounts payable.

Allowable expenses per this policy during the trip are to be paid out of pocket by employees and reimbursed upon completion of travel. The City will not provide any advance payment of travel costs directly to employees.

Travel Reimbursement

All employee travel reimbursement requests require either direct supervisor or Department Head approval prior to submitting to the City Auditor. Direct supervisors can approve expense reimbursement requests if there is no greater than a 10% variance between the pre-approved travel estimate and the actual expense reimbursement requested. Any reimbursement request with a difference greater than 10% of the pre-approved estimate must be approved by the Department Director.

The City Auditor's Office is responsible for review and has final approval of travel expense reimbursement requests. Approval shall be based upon the employee's compliance or non-compliance with the requirements of this policy. Once approved by the City Auditor, the reimbursement request will be forwarded directly to accounts payable for processing and email notification will be provided to travel coordinators and/or the employee.

Within 30 days of an employee's return from a business trip, a final, department approved expense report associated with the trip shall be submitted to the City Auditor to be eligible for any reimbursement. The employee must complete a signed Travel Form and supporting documentation to substantiate all reported expenses with the exception of meals, as these are reimbursed based on GSA per diem rates. The documentation should be in its original form and include the following, if applicable:

- Pre-travel request authorization as defined by this policy
- Invoice and trip itinerary from vendor
- Event brochure or agenda for conference, training, or special event

- Any certificates of completion associated with event
- Airfare receipt showing the travel dates and time
- Parking receipts showing the travel date and amount paid
- Transportation receipts showing the travel date and full address to/from the event location
- Car rental receipt showing the dates and number of days
- Final itemized hotel bill or statement showing all charges
- Documentation showing miles between destination and the employee's work location or residence to substantiate the shortest distance driven for mileage
- A brief written explanation if a reporting item doesn't have supporting documentation.

It is the employee's responsibility to submit the travel expense reimbursement request within the specified timeline.

Uncompleted training will not be paid by the City unless the employee's failure to complete the training was due to a cause outside the employee's control as documented with a memorandum.

Advances

The City does not offer advances to employees for travel.

Exceptions to this Policy

This Policy does not claim to address all contingencies and conditions. However, any exception requires City Manager (or designee) approval in writing for anticipated/known exceptions or unanticipated/unplanned expenses. Requests for exceptions should be accompanied by the traveler's written justification for the expense.

Examples of exceptions to this policy include, but are not limited to, the following:

- Unusual business expenses
- Per diem and/or lodging expenses which exceed GSA limits
- The purchase of one or more meals from another source even though they were included in a conference and/or seminar registration fee
- The use of an alternate mode of transportation
- Lodging expenses incurred during local travel
- Travel costs exceeding available budget appropriations

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City Auditor to Conduct Periodic Audits

The City Auditor shall conduct periodic audits in accordance with generally accepted government auditing standards to ensure compliance with this travel policy. Audit results shall be submitted to the City Council.

Cross References:

CMD 49 - Membership in Professional Societies and Associations

CMD 21 - Use and Maintenance of City Vehicles Including General Government/Public Works Pool Vehicles

Attachments:

A – Travel Authorization Form

B – Travel Expenses Reimbursement Form

C – Mileage Reimbursement Log