



# THE CITY OF NEWTON

## North Carolina

### Travel Policy

#### **PURPOSE:**

This policy provides a standard procedure for payment of or reimbursement for travel expenses pertaining to approved travel, lodging, meals and miscellaneous travel expenses.

#### **POLICY:**

The purpose of this policy is to reimburse employees, Council Members, City Attorney and Appointed Officials ("Travelers") serving in various capacities on boards, commissions and committees in accordance with the General Statutes of North Carolina for all necessary and reasonable expenses incurred while traveling on official business representing the City of Newton.

Prior to planning any travel, employees shall prepare a "Travel Authorization Form" (T-101). The Travel Authorization Form must be approved before any travel is scheduled. Travelers must account for all travel advances and expenses by submitting a complete and accurate "Travel Expense Report" (T-102), approved by their Department Head. The City Manager will approve all Travel Expense Reports for Department Heads, City Council members, City Attorney and members of Boards or Commissions.

G.S. 159-181 (a) States that any officer or employee of a local government or public authority who knowingly submits a written claim or approves a claim for funds that he/she knows to be false is guilty of a misdemeanor and forfeits his or her office. Submission of a falsified Travel Report or any other violations of this policy may result in disciplinary action up to and including termination.

When two (2) or more Travelers are traveling to the same destination, they should make every effort to use special group travel discounts and jointly use transportation including taxicabs and City-owned, leased or privately owned vehicles. Travel with representatives of other local governmental units is also encouraged whenever possible.

Excessive expenditures, indirect travel routes, luxury accommodations, and unjustified or unnecessary services in the performance of official business should be avoided. Travelers may be personally responsible for unnecessary and unauthorized expenditures and any additional expense incurred for personal preference or convenience.

#### **OVERVIEW:**

This policy establishes the procedures to notify the Finance Department when travel is required, funds needed to be encumbered, or travel advances needed to be issued. This policy also provides the general guidelines for necessary and reasonable expenses and establishes the steps that are involved in the completion and processing of the "Travel Report" for reimbursement of travel expenses.

## **GENERAL GUIDELINES:**

### **Travel Authorization**

Travelers must request approval for all travel in advance of incurring any expenditure (including registration fees) related to the trip by completing a Travel Authorization Form (T-101). **No registration/reservations should be made before travel has been appropriately authorized.**

The Department Head or the City Manager should assess the necessity of the trip, the reasonableness of the expenses, and the availability of funds before approving. Upon approving, the Department Head should forward the completed form to the Finance Department. Approved Travel Authorization Forms are to be submitted to the Finance Department no later than ten (10) working days prior to the travel date unless approved by the City Manager.

**The Traveler should refer to the Per Diem rate tables, set by the U.S. General Services Administration, to determine the per diem rate for lodging, meals and incidentals.** The per diem rate will vary depending on the travel destination. The site to access the Per Diem Rate is [www.gsa.gov](http://www.gsa.gov). A copy of the current (at time of preparation) Per Diem rate sheet shall be printed and submitted with the Travel Authorization Form.

The Department Head is responsible for determining that an unencumbered appropriation sufficient to cover the total estimated cost of the approved travel remains in the expenditure line item. If a sufficient balance remains in the expenditure item, the total estimated travel cost will be encumbered. If the remaining balance in the expenditure item is insufficient to cover the total estimated cost of travel and other monies are not yet available, the requesting Traveler and the Department Head will be notified by the Finance Department.

### **Travel Advances**

The City of Newton will assist Travelers who are required to travel on official business by advancing up to 100% of the estimated travel expenses. However, cash advances will occur only for amounts that exceed fifty dollars (\$50.00) per traveler. Travelers must complete the Travel Authorization Form (T-101) to obtain a cash advance for authorized travel.

Petty cash will not be used to support travel or travel reimbursements, without prior approval by the Finance Director.

**The Finance Department will not be able to issue a travel advance if the Traveler has an outstanding advance that has not been reconciled and cleared by a corresponding Travel Authorization and Expense Report.**

## **Transportation**

### **Air Travel**

Coach is the approved class of travel for all Travelers on domestic and international flights. Business class is optional for international flights greater than eight hours flying time with approval of the Department Head. **Upgrades to first class will not be reimbursed.**

Personal Frequent Flyer miles accumulated, as a result of business travel, are available to Travelers to use at their discretion for things such as personal travel and upgrades to first class.

Every effort should be made to qualify for the lowest logical airfare by planning trips and ordering tickets in advance and by allowing flexibility in arrival and departure times. Non-refundable tickets may be used for future travel subject to the same restrictions as the original ticket with a minimum penalty. The penalty for rescheduling a non-refundable ticket is reimbursable if the change or cancellation is made at the direction of and for the convenience of the City. In the event of accidents, serious illness or death with the Traveler's immediate family, or other critical circumstances beyond the control of the Traveler, the City may elect to pay the penalties and charges.

The City Manager and Department Heads may be accompanied by "Key subordinates", not necessarily a "direct report". Unless circumstances dictate to the contrary, such as a lack of alternative flights, any concentration of Travelers from the same unit or in the same direct reporting relationship should be avoided when traveling by air.

### **Private Aircraft**

Use of private/personal aircraft is **not** approved and, accordingly, no reimbursement will be made for the use of such aircraft.

### **Airline Club Membership**

Travelers may not be reimbursed for membership in airline clubs.

### **Rail Travel**

Travelers should use coach class when traveling by rail. When an overnight stay is required on board a train, a roomette or duplex accommodation is permitted.

### **Ground Transportation**

Travelers should use the most economical and reasonable means of ground transportation that satisfies the Traveler's business purpose and requirements. These include and are limited to taxis, airport/hotel shuttle vans, rental cars, personal cars and public transportation.

### **Rental Cars**

Rental cars should be used only when they are clearly the most economical mode of transportation.

When reserving a car, Travelers should:

- Request a compact or intermediate size car.
- Refuse Loss/Collision Damage Waiver (LDW) and Personal Accident Insurance (PAI) for domestic business travel. Since the City provides insurance for business rentals, the traveler will not be reimbursed if they purchase this coverage.
- Purchase available insurance coverage for business rentals outside the continental U.S., the cost of which will be reimbursed as a business expense.
- Return the rental car with a full tank of gasoline to avoid a refueling charge by the vendor.
- Use their City VISA card to pay for rental cars, use their personal charge card and be reimbursed through the travel expense report process, or request a cash advance on the Travel Authorization Form.

### **Personal Cars**

**Travelers with assigned City vehicles, who elect to utilize personal vehicle in lieu of City vehicle, will not be reimbursed mileage or fuel.**

When public transportation is unavailable, the Traveler may use a personal auto for business purposes.

- **Reimbursement for miles traveled will be at the maximum rate allowed by the IRS, which is updated annually on the first day of January.** Mileage should be calculated from the City facility of which the employee is assigned to the destination of travel.
- Parking charges and tolls will be reimbursed. Receipts are required.
- Fines for parking or traffic violations will **not** be reimbursed under any circumstances.
- When submitting mileage for reimbursement, the Traveler should show the miles traveled and the rate on the Travel Expense Form (T-102), as well as the destinations traveled to on the face of the Expense Report under purpose of travel. When in doubt, use the shortest mileage distance obtained from Mapquest.com.
- Travelers using a personal auto must carry minimum auto liability insurance required by the North Carolina Department of Insurance.
- In case of an accident while engaged in City business, **City liability insurance will apply above the personal insurance.** The City does not provide physical damage coverage for personal vehicles.

### **City Vehicles**

City vehicles may be used for any authorized travel. The requesting Traveler must obey all laws of the jurisdiction in which the vehicle is being operated and will be responsible for any parking or traffic violations incurred while using the City vehicle. The vehicle should be used

in conducting City business only. A minimal amount of personal use, such as driving the vehicle to and from a meal is allowed. Non-City of Newton travelers may accompany City of Newton travelers if they have a business interest in the travel. **If family members accompany travelers on a business trip, their personal vehicle must be used. Travelers with assigned City vehicles, who elect to utilize a personal vehicle in lieu of City vehicle, will not be reimbursed mileage or fuel.**

## Lodging

### Motels, Hotels, etc

- Reimbursement of hotel costs shall be for the traveler only, at the single room rate, unless sharing with another City employee.
- **A Per Diem allowance will be provided for lodging, which will be based at the rate set by the U.S. General Services Administration (<http://www.gsa.gov>).** Lodging charges should be requested on the Travel Authorization Form. The City Business Visa card should be used for reservations. The City Business Visa card is the preferred method of payment.
- Room cost, including taxes, should be included as part of the calculated Per Diem amount and should not be listed as "Other" expenses. *Note: Taxes associated with lodging are in addition to the Per Diem provided by GSA.*

### Conference or Convention Lodging

- The City Manager may waive the Per Diem lodging reimbursement rate if it is in the best safety and convenience interest of the City that the traveler stay at the site of the conference or convention. An original receipt must be attached to the Travel Expense Report (T-102).

## Meals

### Business Meals

Meals in conjunction with meetings where City business is discussed are considered business meals.

Proper documentation of the business purpose is essential. Documentation should include:

- Name, title and company affiliation of those attending.
- Business topic of discussion.
- Name of restaurant or other establishment at which the meeting was held.
- Original receipt for meals, including tips.

The cost of alcoholic beverages will be deducted without exception from reimbursements.

Business meal expenses should be submitted by the Department Head of the hosting department for reimbursement on a Travel Expense Report (T-102) or attach receipt(s) to the City Visa Card statement when no travel or only local travel has occurred.

Reciprocal entertainment among City personnel which does not involve a specific business purpose will **not** be reimbursed.

### **Personal Meals**

**A per diem allowance will be provided for meal and incidental expenses, which will be based at the rate set by the U.S. General Services Administration (<http://www.gsa.gov>).** Meal per diem includes the tip for service and incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses.

**No receipts are required for reimbursement of personal meals and incidental costs, as a Per Diem is paid to cover these costs.**

Travelers may receive a meal and incidental allowance for partial days of travel when the partial day is the day of departure or the day of return. The partial day allowance should be used when the Traveler departs after 7:00 a.m. on the first day of travel and/or returns prior to 7:00 p.m. on the last day of travel.

Meals that are included as part of the meeting, seminar, conference or provided by the hotel should not be claimed as a per diem expense. The City may allow exceptions related to medical dietary restrictions or other as deemed appropriate by the City Manager or Finance Director.

All other eligible meals not included as part of meeting, seminar or conference will follow the percentage of daily allowance: 20% Breakfast, 30% Lunch, and 50% Dinner.

Due to IRS regulations, meals where there is no overnight stay are considered taxable to the employee, therefore they will be included in the employees earnings as a taxable fringe benefit.

### **Goodwill Entertainment**

The cost of entertaining customers, clients and/or business associates can qualify as a business expense. As such, goodwill entertainment other than business meals of outside constituents, which may derive from custom, courtesies and requirements of special situations, may be reimbursable. All goodwill entertainment expenses must be approved by the appropriate Department Head and City Manager or his designee before they are incurred.

A Traveler who is the host is expected to provide such goodwill entertainment adequately within monetary limits suitable to the occasion.

Some examples of goodwill entertainment are:

- Purchase of tickets to a theater or sporting event.
- Participation in an organized social or sporting activity.

Receipts and documentation including a description of the type of entertainment and participants are required.

## **Weekend Travel**

Airlines may offer substantial discounts when a trip includes a Saturday night stay. Travelers may leave early or extend a business trip into a weekend to take advantage of a substantial discount. This should occur only if the extension provides a reduction to the net expenses of the trip.

The City will reimburse expenses for additional weekend nights if the savings is greater than the cost of the lodging, meals and other expenses that might be incurred.

To qualify for reimbursement, Travelers should be aware of the following guidelines:

- The additional lodging, meal and incidental expenses are less than the airfare savings obtained by comparing the Saturday night stay airfare with the airfare for a non-Saturday night stay.
- Support showing the savings must be included with the Travel and Expense Report.

Workers' Compensation insurance may not apply to accidents occurring during periods of extended travel for personal activities. See Section on Rental Cars. If a Traveler is involved in an accident with a rental car during a weekend stay when no City business is conducted he/she will not be covered under the City's insurance policy.

## **Combined Business/Personal Travel**

Under most circumstances travelers should **not** be encouraged to combine business and personal trips. However, on the rare occasions that this is allowed, only the actual documented business expenses will be reimbursable.

A vacationing traveler who makes a side trip to a business destination at the request of their Department Head or the City Manager will only be reimbursed for the business expenses incurred. All the personal expenses including the airfare to and from the vacation destination are considered personal.

Any combination of business/personal travel should be discussed prior to the trip with the traveler's Department Head or the City Manager.

Travelers should refer to the sections on Rental Cars and Weekend Travel for guidance on insurance coverage for personal portions of combined travel.

## **Local Travel**

Normal daily local travel which takes place within Catawba County is not required to be reported on the Travel Reimbursement Form (T-101) or Travel Expense Form (T-102), if the following is met:

- No expenses will be incurred.

**Exception:**

- If mileage only, complete a Travel Expense Form (T-102). A Travel Reimbursement Form (T-101) is not required.

### **Other Reimbursable Expenses Related to Travel**

Specific miscellaneous or other expenses related to travel which are reimbursable and should be included on a Travel Authorization and Expense Report includes:

- Reasonable dry cleaning/laundry expenses for trips exceeding five working days.
- Postage, photocopy, miscellaneous supplies or secretarial services required during a trip.
- Passports, Traveler's check fees and currency exchange fees, where applicable.
- Personal phone calls home while away on overnight business trips, to the extent that they are of reasonable frequency and duration.

### **Non-Reimbursable Expenses Related To Travel**

The following expenses which may be incurred in conjunction with business travel are not reimbursable and should not be included on a Travel Authorization and Expense Report:

- Recreational and entertainment activities will not be paid by the City. This includes recreational and entertainment activities noted as an additional registration cost.
- Travel related expenses including lodging, meals and incidentals that are covered by a vendor as a condition of a prior bidding process for purchased equipment.
- Fees associated with any personal charge/credit cards.
- Air travel or other personal trip insurance.
- Charges for a barber, manicurist, beautician, bootblack, masseur, etc.
- Athletic, social or country club fees for personal activities.
- Cost of newspapers, magazines, toiletries, cigarettes, etc.
- Medical expenses.
- Personal articles or clothing. (Except damage or theft thereto. Refer to the section on Personal Losses)
- Personal entertainment such as in-room movies and mini-bars.
- Luggage/briefcases.
- Traffic fines.



## Personal Losses

Personal property loss reimbursement is **not** to be included on a Travel Authorization and Expense Report.

Loss of personal property by a Traveler while away on business will be reimbursed by the Finance Department through the accounts payable process provided:

- The Traveler took reasonable and normal precautions to protect and safeguard the property.
- The loss was immediately reported to the police or other appropriate authorities.
- The value of the lost, stolen or damaged items can be reasonably substantiated.
- The Traveler has first applied the loss to his/her personal homeowner's/renter's insurance policy, where applicable.
- Reimbursement will not exceed the amount of the deductible if the loss is recoverable under a personal insurance policy.

Reimbursement of personal losses requires written approval by the Department Head **and** the City Manager.

## Reimbursement Procedures

### Approval

After the trip is completed, Travelers must complete a Travel Expense Form (T-102). After completion, the Traveler must sign and forward the report and supporting detail to the appropriate Department Head or City Manager for approval. All receipts must be attached to the Travel Expense Form before submitting it for approval. Improperly prepared Reports may be returned to the Traveler or Department Head for amendment.

Travel expenses submitted for reimbursement by employees are to be approved by their Department Head or the City Manager. Travel expenses submitted for reimbursement by Department Heads, Council Members, City Attorney and Appointed Officials are to be approved by the City Manager. If the approving Department Head is unavailable for a period exceeding one week from the time the T-102 is completed, then the Traveler should submit the form to the City Manager for approval. **The approving party is responsible for assuring that the expenses are legitimate, reasonable, properly documented and in conformance with the City's policy.**

- Exceptions to the stated policy must be specifically approved on an individual basis by the responsible Department Head.
- Travel Expense Forms (T-102's) should be submitted within 10 business days after returning from the trip, unless approved by the City Manager. A T-102 is required to be completed if there has been an approved T-101 or mileage only for local travel (see Local Travel Section).
- Travel and Expense Reports submitted more than 30 days from the date the

expense was incurred requires the approval of the City Manager.

### Receipt and Documentation Requirements

**Original receipts**, regardless of the amount, must be obtained and submitted with the T-102 Form for the following expenses:

- Lodging
- Registration
- Parking, transportation and Tolls
- Automobile rental
- Airline travel
- Rail tickets
- Goodwill Entertainment
- Other reimbursable expenses related to travel and listed in this policy

A copy of the receipt is acceptable documentation for charges placed on the City's VISA card.

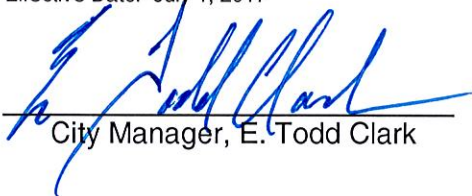
### Reimbursement Processing

The approved T-102 Form should be forwarded to the Finance Department so that a reimbursement to the Traveler can be processed. The Finance Department will determine that the T-102 Form has been properly approved, that it is mathematically correct, and that requested reimbursements agree to submitted receipts, when required, and are within the limits set by the City's travel expenses and reimbursement policies and procedures. T-102s submitted with errors will be returned **unpaid** to the approving Department Head for review and correction.

Adherence to the City's guidelines regarding approval, receipts, and documentation is essential for prompt payment of or reimbursement for travel expenses pertaining to approved travel, lodging, meals and miscellaneous travel expenses.

### Policy Approval

Effective Date: July 1, 2017

  
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City Manager, E. Todd Clark

  
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Date