

Commission Letter # : 320-10
Commission Meeting: November 8, 2010

RE: Travel Policy Amendment

November 5, 2010

The Honorable Mayor
and
Members of City Commission

Commissioner Capello's request for a copy of the City's policy on travel caused me to read the policy again and I found it doesn't contain a provision that I thought it contained. I've been operating under the belief that our policy prohibited out of state travel except with advance permission of the City Manager. That appeared to be the understanding of Commissioner Andrzejak as well based on a comment he made at the Commission meeting of October 4 when this was first brought up. However, that isn't actually in the policy adopted March 3, 2003, put into effect on Jan. 1, 2004. The Clerk's office did search the minutes of meetings since and found no other changes to the policy.

Section II. B. of the policy addresses out-of-state meetings where the cost of lodging is included in the registration fee, "the City will only pay for or reimburse the employee for the registration fees exclusive of cost of lodging which may be included in the fee."

This provision does not make sense for two reasons. First, it only applies when the cost of lodging is included in the registration fee but lodging is almost never included in a registration fee. Second, the additional cost of out-of-state travel is in transportation, not lodging.

If the Commission wishes to restrict out-of-state travel, I would suggest replacing Section II-B with the following:

When an employee elects to attend an out-of-state professional development meeting, conference, or training session which shall promote the overall job knowledge and productivity of the employee, in accordance with the policies set forth in this regulation, the City will only pay for or reimburse the employee for the cost of attending the meeting, conference, or training session, exclusive of the cost of transportation.

Exceptions to this provision (and others) could still be made under section V.

If the City Commission agrees, the following resolution would be appropriate:

Be it resolved that the City Commission hereby approves the City's Travel Policy be amended at Section II – B to read:

“When an employee elects to attend an out-of-state professional development meeting, conference, or training session which shall promote the overall job knowledge and productivity of the employee, in accordance with the policies set forth in this regulation, the City will only pay for or reimburse the employee for the cost of attending the meeting, conference, or training session, exclusive of the cost of transportation.”

**CITY OF ROYAL OAK
TRAVEL & LOCAL EXPENSE POLICY
As of January 1, 2004**

TRAVEL

I. Purpose

To establish and provide a clear and consistent regulation concerning travel and related expense reimbursement for all City of Royal Oak officials, employees and contractors while conducting business on behalf of the City of Royal Oak.

II. Policy and Procedures

- A. The City of Royal Oak may authorize and direct travel for permanent and temporary City employees required to travel to transact public business. The City will pay for or reimburse employees for reasonable expenses associated with such travel.
- B. When an employee elects to attend an out-of-state professional development meeting, conference, or training session which shall promote the overall job knowledge and productivity of the employee, in accordance with the policies set forth in this regulation, the City will only pay for or reimburse the employee for the registration fees exclusive of cost of lodging which may be included in the fee.
- C. This policy shall apply to all permanent and temporary employees of the City of Royal Oak. If any of the regulations established herein are in conflict with collective bargaining agreements, the terms and conditions specified in the collective bargaining agreement shall prevail.
- D. Directors, Department Heads and other approved employees may attend meetings, conferences and training depending upon budget limitations and supervisory approval.
- E. Travel will not be approved unless sufficient funds are available within the budget line item where the employee is assigned. In certain instances, where unanticipated travel costs cannot be covered within the budget line item, a budget adjustment must be requested in advance using the exception section of the Travel Authorization Form (See form T-1 and Section VI). The form must be approved by the City Manager.
- F. Conference and convention travel shall include travel to meetings of professional organizations to which the employee/city belongs. Training programs generally consist of a series of classes where new skills are learned and existing knowledge is broadened.
- G. If attending training or a conference, the employee is required to attend all pertinent sessions. Failure to do so will make the attendee subject to appropriate disciplinary action and/or may require the attendee to reimburse the city for costs.
- H. Total travel time shall not exceed the duration of the meeting/conference/training program plus the day before and the final day of the program (for travel to and from Royal Oak). Exceptions to this rule may be considered if considerable monetary savings can be achieved through other arrangements. This should be done in writing and approved by the City Manager.
- I. Employees traveling at City expense are responsible for ensuring that travel is conducted using the least expensive, yet practical alternative. Failure to do so shall subject the employee to paying the cost difference.
- J. All travel expenses associated with a spouse, family member, companion, or another person are ineligible for reimbursement.
- K. Every effort should be made to properly substantiate all costs. Original receipts should be obtained whenever possible. Copies are not acceptable. The City will

pay the normal and customary costs incurred by the employee within the guidelines set forth by this policy. If original receipt is not provided, the reason should be clearly explained in writing, and the expense may be subject to disallowance.

III. **Eligible Expenditures**

- A. Meeting registration fees required for attendance
- B. Transportation

The city will pay reasonable transportation at the lowest cost. There will be no reimbursement where transportation is provided. Pre-approval is required for car rentals. All receipts are required.

- C. Parking fees
- D. Lodging fees at the conference room rates

The City will reimburse only for a single-priced room in the conference or training facility except where more than one employee shares the room. If a double room is desired, the employee is responsible for the difference in rates.

- E. Meal Expenses

The City will reimburse reasonable costs incurred for the employee's food taking into consideration the geographic location.

- F. City Vehicle

The use of a City vehicle is at the discretion of the Department Head, subject to availability of a City vehicle.

- G. Phone Calls

The City will reimburse the employee for one personal call per day. All business calls other than to the City of Royal Oak offices must be explained in writing and attached to the Travel Expense Report.

- H. Miscellaneous Expenses

These may include baggage-handling costs, taxi costs, gratuities, etc. where receipts are often not available. It is suggested that utmost discretion is to be used and that receipts be obtained whenever possible.

- I. Transportation Costs
Any other transportation costs will not be reimbursed, except by special exception given prior to travel.

IV. **Ineligible expenses**

- A. Personal expenses, such as laundry, haircuts, health club fees, valet services, movie rentals, etc.

- B. Before and/or after meal refreshments and/or alcoholic beverages.
- C. Expensive meals, in excess of reasonable expenses for the area in which the individual is traveling. A claim may be submitted for a more moderate amount.
- D. Personal telephone calls that exceeded the maximum allowed.
- E. Rental vehicles expense, except as specified above.
- F. Any personal travel expenses not directly related to the specified meeting.
- G. If the individual chooses to drive to an out of State event, any expenses for food or lodging, which would not otherwise be incurred.
- H. Travel Insurance
- I. Tips (other than for meals/porters)
- J. Expenses for spouse, family or companion.

LOCAL EXPENSE

Personal Auto Usage

The City of Royal Oak will reimburse officials, employees and contractors for their use of their personal automobile while conducting city business for either travel or incidental purposes. This cost is reimbursed at a standard mileage rate as allowed by the IRS. (Current rate 1/1/05 is \$.405 per mile). Reimbursement for commuting from home to work, and work to home, is not an allowable expense. Mileage reimbursements will be made once monthly through utilization of Form T-2. A mileage log shall accompany Form T-2 should space on the applicable section of Form T-2 be insufficient. The mileage log shall contain at least the same amount of information as contained in Form T-2. Approximate mileage related to travel must be pre-approved on Form T-1. Pre-approval on Form T-1 is not necessary for mileage related to day-to-day incidental activities.

Entertainment

Reimbursement of entertainment related expenses is at the discretion of the appropriate official on a case by case basis. Generally speaking, the City of Royal Oak will not reimburse entertainment related expenses or alcohol. Exceptions can be solicited by seeking pre-approval on Form T-1. Group luncheons are a form of entertainment and are subject to this guideline. On-site departmental luncheons as part of another function (such as training) are not considered entertainment and are allowable expenses subject to budgetary constraint and supervisory approval.

Other

Reimbursements for costs not specifically included in this policy are subject to pre-approval by the appointed official department head (or City Commission for costs related to the Commission or appointed officials).

V. Exceptions

- A. Under unusual circumstances, exceptions to this policy may be requested by the employee's supervisor. Exceptions must be included on the Travel Authorization Form (Form T-1) prior to occurrence and are subject to approval by City Manager.
- B. Exceptions may also be granted, after travel is completed, for unforeseen circumstances with the approval of the employee's supervisor and the City Manager.