



Policy: **Travel & Training Expenses**
Adopted: M2007-0143
Effective: October 1, 2007
Revised: October 15, 2007; July 19, 2016

Travel & Training Expenses

Purpose

It is the purpose of this policy statement to establish adequate internal controls to satisfy Internal Revenue Service (IRS) regulations, State laws (Minnesota Statutes 471.661, 471.665 and 15.435) and to provide a framework to use as a guide.

The purpose of the travel & training expense policy is to facilitate a public or government interest for which the City is responsible, rather than a private or personal interest.

Policy

All persons conducting official City business, the cost of which is borne in part or total by the City, shall be subject to the provisions of this policy. This Policy shall apply to all City employees, City Administrator, Mayor and Council members, and members of Boards and Commissions.

The Mayor, City Council Members, and members of Board and Commissions must receive approval in advance by the City Council at an open meeting and must include an estimate of the cost of the out of state travel as well as the purpose and relevance to the City.

Travel and training is pre-approved via the City Administrator employment contract.

Whenever a City employee, City Administrator, Mayor and Council members, or members of Board and Commissions uses public funds to pay for any type of travel, they must not acquire non-work related benefits from the travel.. The traveler shall not receive reimbursement for the claimed expense from any other source.

City of Northfield Training Request form

All training request forms (Appendix A) must be approved before being submitted to Finance for audit and payment as follows:

- Department Directors shall approve all training request forms for their department employees.
- The City Administrator shall approve all training request forms for his/her direct reports.
- The City Council shall approve via motion all travel requests for the Mayor and City Council members, Board and Commission members and appointed representative. Motion must include:
 - Explanation of training relevant to the City
 - Networking relevant to the City
 - Study facility or function relevant to the City
 - Goodwill relevant to the City
 - Testify and or meet with federal/state officials relevant to the City
 - (Note: may not be sponsored by or affiliated with political parties)
 - Budget expense



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Car Allowance	Employees designated by the City Administrator and the City Administrator that receive a monthly vehicle allowance may not receive any form of IRS mileage reimbursement.
Mileage Reimbursement	Persons not receiving a vehicle allowance will be reimbursed the standard mileage rate to operate their own automobile for all miles driven on City business at the current IRS (Internal Revenue Service Publication 463, Travel, Entertainment, Gift and Car Expense) rate.
Reimbursement	<p>The City will pay or reimburse all travel costs that are reasonable and necessary. Any person conducting official City business is expected to show good judgment in the nature and amount of expenses incurred while conducting City business.</p> <p>The City will, in reviewing documentation, use the IRS Publication 1542, Per Diem Rates (for travel within the continental United States) for the particular destination point in determining the reasonableness of expenses claimed.</p> <p>Expenses of another person who accompanies the individual on a trip are not reimbursable, nor are travel or other expenses for side trips of either the employee or another person. The expense report must reflect only the expenses incurred that are business related and should align with estimated expenses reported on the approval request to travel.</p> <p>Expenses are normally allowed for only the evening before an out-of-town conference when a conference starts in the early morning.</p> <p>Expenses are normally allowed only through noon of the day following an out-of-town conference when the individual cannot return on the final day of the conference.</p>
Mass Transit	<p>Coach airplane passage is considered standard for out-of-state travel, as air travel is usually more economical in time and money than other modes of transportation when making long trips.</p> <p>All persons should purchase tickets only after receiving approval of the trip.</p> <p>. Receipts for travel expenditures are to be submitted with the Employee Expense Report form</p> <p>If the individual chooses to fly at a higher fare for convenience and frequent flyer miles are acquired, the individual must pay the difference between the lowest priced fare and the preferred fare. Reimbursement in this case will not exceed the amount for which the City could have purchased the same travel.</p>

Travel to and from airports should be by most economical means available. If driven to or from the airport in a private car by another individual, round trip mileage will be reimbursed for those individuals not receiving a car allowance.

If air travel is determined to be the most cost effective transportation, and the individual chooses to drive, reimbursement shall be limited to the cost of round trip airfare. There will not be reimbursement for any hotel, meal or other expenses, including travel time, or other expenses incurred enroute or for parking charges at the destination.

Frequent Flyer Miles All persons may avoid the procedures below by simply not accepting the frequent flyer miles offered. However if an individual wishes to acquire the frequent flyer miles, then they must follow the procedures below.

At the time of booking the individual must select the lowest priced fare that meets the travel requirement, regardless of the frequent flyer availability.

Should the lowest priced fare have frequent flyer miles credits, they may be credited to the individual frequent flyer account. No reimbursement or credit is owed the City, as it is the lowest priced fare.

If the individual chooses to fly at a higher fare for convenience and there are no frequent flyer miles acquired, the individual does not have to pay the difference in fare.

If the individual chooses to fly at a higher fare for convenience and frequent flyer miles are acquired, the individual must pay the difference between the lowest priced fare and the preferred fare.

Traveling by Auto
City & Personal

Department Director and City Administrator must approve all out-of-state travel by departmental employees in personal/City vehicles in writing and in advance of trip. A copy of the approval request must be submitted with the expense report to the Finance Department upon return.

Use of personal cars by employees for long-distance travel within the State does not require approval where the total cost (mileage, plus meals and lodging during travel) does not exceed the cost of air coach passage. When personal automobiles are used as a mode of travel for travel within the State, reimbursement will be made at the mileage or allowance rate then currently in effect (but not to exceed the cost of coach airfare). Payment of mileage will be based on the most direct route from the point of departure to the point of destination.

Directors and the City Administrator that receive a monthly vehicle allowance may not receive any form of mileage reimbursement.

Travel from home to work and work to home is not a reimbursable expense.

Car Rental

If it is necessary to rent a car at the travel destination, an individual may use a City-Purchasing Card or the person can use his or her own credit card and apply for reimbursement for the City business portion. In neither case is any personal use portion of rental to be claimed or allowed on the expense report. Rental of luxury vehicles is prohibited.

No reimbursement will be made for the cost of any car rental insurance purchased. Should a rental car be damaged while being used for business purposes, the City's insurance will defend and indemnify the individual against any claims made by the rental company for damage to the rental car. Minnesota law requires your personal insurance company to provide coverage when the rental car is being used for personal activities in most instances.

Lodging

Hotel or motel accommodations should be appropriate to the purpose of the trip. Room charges for each day are to be listed separately. Receipts for lodging must be approved to obtain reimbursement.

Reimbursement for lodging shall be limited to the minimum number of nights required conducting the assigned City business. If an individual chooses, for personal reasons, to arrive earlier or leave later, the additional lodging and other expenses related to this decision are his/her personal expense and will not be reimbursed by the City.

Where multiple occupancy by other than individual occurs, the person may only claim the actual cost of the single room rate (if different from the double room rate)

Lodging expenses will ordinarily not be reimbursed for events held in the Minneapolis-St. Paul metropolitan area. The City Administrator for employees and City Council for other than employees must authorize any exceptions in advance.

Meals

When registration or tuition fees include one or more meals, the individual is expected to utilize the meal(s) as supplied by the conference and not have additional meal expense. Employees seeking meal reimbursement when attending a conference must submit a conference schedule to show if a meal was included or not.

The City may reimburse travel costs on a per diem basis up to a maximum allowable rate, or on an actual cost incurred basis, as described in this policy. The City will require appropriate documentation and/or receipts for any expense reimbursement requested under this policy. When an employee reimbursement is necessary, the reimbursement will be handled by the Finance Department after required forms are

submitted.

Employees should schedule meetings outside of meal periods whenever possible.

Expenses for meals, including gratuities, but excluding alcoholic beverages, will be reimbursed. Employees traveling outside of Northfield have a choice of either (1) receiving payment on a per diem (maximum daily rate) basis for meals as provided in Appendix B. The per diem amount is a daily allowance for meal expenses in lieu of reimbursement for actual expenses. Or, (2) the City will accept receipts for meal reimbursement and pay according to Appendix B. Identify business purpose and names of people when claiming meal costs for more than the employee. Per diem amounts (in lieu of receipts) may be authorized in certain travel situation by the appropriate supervisor as described in City of Northfield Conference and Travel Authorization Request Form above. The per diem amount would be the maximum allowable under the IRS high-low substantiation method.

Eligibility for reimbursement of meal expenses is as follows:

- To be eligible for breakfast, the traveler must be in travel status by 6:00 AM.
- To be eligible for lunch, the traveler must be in travel status between 11:00 AM and 1:00 PM.
- To be eligible for dinner, the traveler must be required to remain in travel status until 8:00 PM.

Other Expenses

All other City business related expenses for which reimbursement is requested, for example, transportation to and from airport, local cab fare, baggage handling and other tips, should be itemized with documentation attached where practicable.

Miscellaneous

Recreation expenses, such as golf and tennis, will not be reimbursed. Reimbursement for telephone calls and similar miscellaneous expenses shall be limited to those directly connected with carrying out the city duties of the employee. Telephone calls will not be reimbursed if an employee is authorized to use a city provided cell phone or receives a cell phone allowance.

Travel or air insurance premiums are not reimbursable.

If an individual, for personal reasons chooses to arrive earlier or leave later than the time required for City business, the extra time shall be charged to vacation leave.

Travel time will be paid to non-exempt employees in accordance with the Fair Labor Standards Act, department policies and procedure, and/or applicable collective bargaining agreements.

Time for voluntary attendance by an employee at a training course outside of working hours is not compensable even if the course is directly related to his/her job or paid for



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International Travel	For domestic travel purposes, the IRS includes the continental United States and Canada. The purpose of the trip must be unquestionably professional in content and should only be considered if a similar meeting, conference, or training of similar quality cannot be found within the continental limits of the United States or Canada. International travel, other than extreme situations as outlined in the IRS Code, is not deductible by the IRS as a business expense and will be considered a taxable benefit to the recipient.
Limitations	<p>Travel and training will not be paid for an individual that has announced their intention to resign, not to seek re-election, or who have been defeated in an election.</p> <p>Newly elected/appointed officials, who have not yet taken office, may, with approval, attend training beforehand.</p> <p>The numbers of individuals from the same department, committee and or City Council must be reviewed for purposes of service, budget and business necessity.</p>
Violation	Falsification of travel documents/expense reporting, resulting in overpayment of the City's assets, or failure to comply with this policy in any other way will be subject to discipline up to and including discharge.