

RESOLUTION NO. R- 4324

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A STATEMENT OF POLICY IN REGARD TO REIMBURSABLE BUSINESS EXPENSES INCURRED BY CITY EMPLOYEES AND CITY OFFICIALS WHILE TRAVELLING ON OR OTHERWISE CONDUCTING CITY BUSINESS.

WHEREAS, it is the policy of the City of Kirkland that no reimbursement shall be made to any City employee or City official, except for expenses reasonably and directly related to the conduct of City business in conformance with policy adopted by the City Council and with the claim being presented in a detailed account for reimbursement in accordance with the provisions of RCW 42.24.090;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Kirkland as follows:

Section 1. The Kirkland City Council hereby adopts and approves the "Amended Statement of Policy for Reimbursable Business Expenses" attached to this resolution as Exhibit A and by this reference incorporated herein, which replaces Resolution No. R-4240, as amended. This statement shall express the policy of the City of Kirkland on and provide guidelines for reimbursement to City employees and City officials of expenses incurred while travelling on or otherwise conducting City business.

Section 2. Copies of this resolution, including the Statement of Policy for Reimbursable Business Expenses, shall be distributed to all department heads of the City and other affected City officials.

PASSED by the Kirkland City Council in meeting on the 2nd day of January, ~~2001~~. 2002.

SIGNED in authentication thereof on the 2nd day of January, ~~2001~~. 2002.

Mayor

ATTEST:

City Clerk

**DRAFT Reimbursable Expense Policy
Chapter 3
Policy 3-2
Effective Date: January 2002**

A. GENERAL

It is the purpose and intent of this policy to reimburse the City of Kirkland elected and appointed officials, employees, and community volunteers for their necessary and reasonable expenses incurred in the conduct of their official business for the City and to authorize expenditure of City funds for certain non-travel related expenses. Reimbursement for such necessary and reasonable expenses will be made subject to the rules contained in this policy and with Chapter 42.24, RCW. In circumstances where this policy is more restrictive than union contracts, the union contract language will be honored. In all cases, the employee should be able to demonstrate the public purpose served by the expenditure for which reimbursement is requested. It is assumed and expected that expenses incurred under this policy will be appropriate to the circumstances and consistent with the best interests of the City and its desire to minimize travel costs. Reimbursement rates are set in Appendix A and are updated by the Finance Director at the direction of the Finance Committee.

B. DEFINITIONS

Employee – For the purpose of this policy, “employee” shall mean the elected officials, appointed officials, and all other employees of the City of Kirkland.

Community Volunteer – the term “community volunteer” shall mean members of boards and commissions, citizens committees, and all other persons providing services to the City without compensation.

Non-employee – the term “non-employee” shall mean all persons who are neither employees nor community volunteers.

Local Area – For the purpose of this policy, “local area” shall mean any location within a 50-mile radius of City Hall.

C. AUTHORIZATION TO TRAVEL

Employees

Authorization for travel shall be by the employee’s supervisor. Travel by Department Directors and the City Manager is authorized in the budget process.

Mayor and City Councilmembers

Mayor and Councilmembers’ travel and attendance is authorized in the budget process.

Community Volunteers

Travel by community volunteers may be authorized by the City Manager or the responsible Department Director.

D. ELIGIBLE EXPENDITURES

Generally, eligible expenditures are those actual costs incurred by an employee as a result of performing city business. Such costs may be incurred in relation to authorized travel or associated with official business in the local area (see Local Travel Expenses). Eligible expenditures also include certain non-travel related costs associated with other official city activities (see also Other Food Expense – Section G).

1. Registration

Actual cost of registration for a meeting, conference, or convention will be paid for an employee or authorized community volunteer. Registration should be submitted for payment in advance of the travel by submitting a purchase order request. Registration fees should not be submitted as an expense on the travel expense reimbursement. Also, registration costs should not be submitted as part of a request for travel advance.

2. Transportation

Actual costs of transportation such as air travel, bus travel, train travel, ferry fee, taxi, tolls, car rentals, and parking fees will be reimbursed. Parking in the airport garage will be authorized only for documented medical needs or if it is more cost effective.

Airline Travel

Employees must make airline reservations through their department travel coordinator. Each department has specific procedures for how to request airline reservations. All air travel shall be at the lowest fare available.

All major airlines are deemed to meet city employee travel needs. Employee preference will be considered. However, the city will not incur extra cost in order to accommodate employee preference. Employees will have the option of paying any additional cost if they choose to designate a particular airline. Airline incentives such as Frequent Flyer mileage will be accumulated in City mileage accounts and donated to charity.

Use of Personal Vehicle

Employees using a personally owned auto on city business will be reimbursed at the rate established by federal IRS regulations; provided, payment will not exceed the lowest cost airfare to and from the same destination. The current IRS rate is listed in Appendix A. Use of a personal vehicle to report to work is not considered a reimbursable expense under any circumstances.

"In-Lieu of Airfare"

Employees have the option of traveling by an alternate mode of transportation and receiving a cash payment up to what the cost of airfare would have been, had that option been used; provided, the "in-lieu" payment will not exceed the cost of the alternative mode of transportation to the same destination. The airfare cost shall be determined by the department travel coordinator and the city's travel agent. The "in-lieu" amount is considered full compensation for all costs while enroute to and from the destination, including transportation, lodging, and meals. Travel time in excess of one day each way, which is brought about by the employee's choice of transportation, is considered vacation time and will be charged to the employee's vacation account. In order to have a clear understanding with regard to FLSA, employees will be required to acknowledge in writing that selecting this option was a voluntary personal choice.

Use of City Vehicle

Officers and employees shall use assigned vehicles or available pool cars while on city business. Use of city vehicles requires that a copy of your Washington State driver's license be on file with Human Resources. Employees using a city owned vehicle for travel outside the local area shall secure a city service station credit card from the Fleet Manager for purchases of gasoline, oil, and emergency repairs.

Rental Vehicles

Rental vehicles will be allowable, but only under circumstances related to business necessity, not personal convenience. Justification will be required with the reimbursement voucher for all rental vehicle expense claims. City employees with a valid Washington State driver's license are covered while in a rental car on city business via the city's insurance coverage for rentals not to exceed 10 days. Rentals in excess of 10 days must be charged to the city credit card. **No reimbursement will be provided for rental agency insurance coverage.** In the event of an accident in a rental car, the Safety Coordinator should be notified immediately.

3. Lodging

Actual costs of hotel or motel accommodations will be reimbursed when traveling outside the local area. If a family member or guest accompanies the employee, the employee shall submit and be reimbursed only the amount of a single rate accommodation. The single accommodation rate must be noted on the hotel/motel bill submitted.

4. Meals

Employees will be authorized a per diem allowance according to the rates in Appendix A. The per diem is intended to cover the cost of meals and gratuities. Meal expense receipts are not required when the per diem allowance is used.

If unusual circumstances result in meal costs exceeding per diem allowance, the Department Director may authorize the expenses with proper receipts for the full amount of all meals. If the employee is authorized to submit actual expenses for reimbursement this must be done for the entire trip. Mixing actual receipts and

per diem is not allowed. The detailed restaurant receipt must be submitted when requesting reimbursement for meal expense greater than per diem. A summary charge slip is not considered the full receipt unless it is obvious to the Finance Director it is the greatest level of detail provided by that establishment.

(Also see Ineligible Expenses and Local Travel Expenses)

It is expected that meals included in registration fees and airline travel will be used by the employee. The city will not reimburse for meals that have already been paid by the city. However, constraints such as time, dietary restrictions and/or other circumstances may preclude use of such prepaid meals. In such cases, the actual meal expense incurred by the employee may be reimbursed if approved by the Department Director.

5. Miscellaneous Expenses

Laundry Service

Actual cost of laundry service is an allowable expense when employees are required to be away from the local area for more than six days at one time or the conditions under which they are required to work while away from the area create a more than normal need for such services.

Telephone and FAX

Charges for telephone and FAX are eligible for reimbursement if city business requires such communication. Long distance calls submitted by the employee for reimbursement must be itemized on expense reports, showing the location and/or person called and the purpose of the call. The calls should be itemized on the hotel bill. Employees will be reimbursed for a brief personal call to communicate unanticipated changes in travel plans beyond the employee's control.

Tipping

Reasonable gratuities paid for meal service, baggage handling or necessary physical assistance are considered payments for service and are reimbursable expenses. Meal tips are included in the daily per diem rate. Gratuities paid to baggage handlers or for necessary physical assistance are to be reflected in the "other expense" column of the voucher.

6. Local Travel Expense

It is expected that employees will exercise appropriate judgment and discretion in requesting reimbursement for expenses incurred in the local area.

Mileage

City employees are encouraged to utilize the Metro Flexpass they are provided for local travel. If use of the Flexpass is not feasible, city vehicles will be used, when available, instead of personal vehicles.

Mileage reimbursement within the local area will be allowed if the following criteria are met:

- a. Use of personal vehicle must be required by the job. Use of a personal vehicle in lieu of airport shuttle service to the airport is reimbursable, and
- b. Permission to use a personal vehicle on a regular basis is obtained from the employee's direct supervisor.

The accounting division publishes a list of mileage to common destinations. Employees have the option of using the published mileage to their destination if they do not record the exact mileage driven. The initial point of origin is City Hall, not an employee's home unless it is the least distance. Actual costs of transportation in the local area, other than mileage reimbursement, will be reimbursed; examples of such are airport shuttle service, parking fees and bus fare.

Automobile Allowance

Department Directors will receive a monthly automobile allowance in the amount listed in Appendix A. This allowance is intended to cover the cost of personal vehicle use in the local area. This allowance is provided as a less costly alternative than providing City vehicles for all local area needs. Mileage extending beyond the local area will be reimbursed based on the number of miles traveled outside the 50-mile radius.

Meals

Local meal expense is eligible for payment by the city if incurred in the necessary discharge of the employees' official duties. Employees are expected to limit themselves to what is appropriate for the occasion and location. Casual or routine meals with individuals, consultants, employees of the city or other local agencies, where the purpose is primarily social, are not eligible for reimbursement (see also Other Food Expense - section G).

For the Mayor, Councilmembers, City Manager, Assistant City Manager and Department Directors, attending civic organization or service club meetings as a representative of the city is considered an official function for purposes of meal payment. The actual cost of these meetings will be paid by the city. Other positions may qualify for civic organization or service club meeting payment as approved by the department director if there is a clear public benefit and the employee is representing the city (examples include the Community Resource Officer and the Youth Services Coordinator).

Meal expense while attending local training will be provided at the in-state per diem rate if the following criteria are met:

- a. The employee was unable to utilize their normal means of sustenance;
- b. The employee was away for greater than ½ of the normal work period; and
- c. The time the employee was away from the work site would have included a meal period.

E. USE OF COMMERCIAL CHARGE CARDS

The city has commercial charge cards that can be used for the sole purpose of covering allowable expenses incurred while on city business. The Treasurer is the custodian of the travel credit cards.

See Credit Card Policy for further information.

F. REIMBURSEMENT OF COSTS INCURRED FOR MEALS OF NON-CITY EMPLOYEES

Employee claims or reimbursement of meal costs for non-city employees will be allowed only under the following conditions:

The reimbursement request must identify:

1. The names of the individuals(s) for whom the meal expense was incurred; and
2. Their official title or capacity as it relates to city business; and
3. The nature of the topic(s) discussed, nature of the occasion, or what public purpose was served.

G. OTHER FOOD EXPENSE

The reasonable cost of food items related to the situations listed below are allowable expenses, provided that such have been allocated in the appropriate budget:

- Costs for meals of interviewers and staff involved in assessment centers or day-long interviews. Costs of transportation and lodging for out-of-town interviewers or assessors.
- Costs incurred for Board and Commission members and related staff at official and other city-business related meetings.
- Cost of coffee and other refreshments at training sessions or organizational meetings for city employees, including employees of other jurisdictions.
- Cost of providing coffee at staff meetings.
- Cost of refreshments at appropriate ceremonies such as facility openings, swearing-in ceremonies, and commendations.
- Cost of meals provided to city employees during emergency situations (e.g. major fire, water main break, natural disaster).
- Cost of working lunches at city facilities.
- Cost of meals and/or refreshments at employee recognition programs.

The following documentation must be submitted with the claim voucher requesting payment:

1. The date and a description of the activity for which food was necessary; and
2. The names of persons or group for whom food was purchased; and
3. Receipts/invoices for all expenditures.

H. INELIGIBLE EXPENSES

None of the following expenses shall be paid for by the city:

- liquor (including beer or wine);
- meals or lodging accommodations for family or guests, except as provided above;
- trip or rental car insurance;
- mileage if traveling as a passenger;
- personal telephone calls, except as provided above;
- sightseeing tours, golf fees, and other conference related activities that are personal entertainment;
- any other personal expenditures, including those for entertainment.

I. DOCUMENTATION OF EXPENSES

To be reimbursed, expenses of the employee must be submitted to the accounting division on the city's Expense Reimbursement Request Form. All expenses (with the exception of allowable gratuities and per diem) shall be substantiated by a receipt. Copies of receipt cannot be substituted for the original. In the case of lodging expense, a detailed statement of charges must be submitted with the request for reimbursement. Generally, each employee is expected to submit his or her own expense voucher reflecting reimbursable expenses actually incurred. Expenditures for other employees may be submitted for reimbursement by the employee who incurred the expense, but such expenses and the other employee's name must be clearly identified on the voucher.

If an expense is incurred for which you were unable to obtain a receipt you must submit a Certification of Expenditure Form in-lieu of the receipt.

Claim for reimbursement of any charge which could reasonably raise questions must be accompanied by an explanation of such charge.

J. APPROVALS

Reimbursement of expenses under this policy must be signed and approved before being submitted to the Accounting Division. A claim for reimbursement requires the approval of the Department Director whose budget is being charged and the Finance Director. City Council claims require the approval of the City Manager or his/her designee and the Finance Director. Claims of the City Manager require the approval of the Assistant City Manager and the Finance Director.

Normally, claims for reimbursement of travel related expenses are to be submitted no later than ten days after return. Claims for other expenditures should be submitted in a timely manner. The Department Director and/or Finance Director have the ability to deny claims for expenses that were incurred in excess of six month previous to submittal.

K. EXCEPTIONS

A written request for exceptions to this policy must be made to the Finance Director before travel arrangements are made. The following are considered situations requiring advance approval (not an inclusive list):

- Special circumstances requiring overnight lodging within the 50 mile radius.
- Utilization of travel mode that is not "least cost" but is in the best interest of the City.
- Situations where hotel checkout will not be on the day of return travel.

L. ADMINISTRATION

Claims for reimbursement are submitted to Accounts Payable once all authorizing signatures are obtained. Standard processing time for a reimbursement is two weeks if there are no questions regarding the form or supporting documentation provided. Employees can reduce the probability of delayed processing by submitting clear explanations regarding public purpose and unusual items.

All forms referenced in this policy may be obtained from the Accounting Division.

Authorized travel shall be consistent with budgets provided for such purpose.

General administrative questions should be directed to the department travel coordinator or accounts payable. Policy level questions should be addressed to the Finance Director. Circumstances not covered by this policy shall be decided by the Finance Director based on the intent of the policy and the demonstrable public purpose served.

M. ADVANCE TRAVEL

1. An employee who is authorized to travel may, at his/her discretion, request a travel advance. The advance shall be solely for the purpose of paying anticipated, reimbursable expenses to be incurred by the employee in the course of authorized travel.
2. Employees requesting a travel advance must submit a completed Travel Advance Request form to the Advance Travel custodian at least one week prior to departure.

3. Settlement of a travel advance must be made on or before the tenth day following the last day of travel. Settlement is made by completing all required paperwork and paying any amount owed to the main cashier.
 - a. Any default in accounting for in repaying an advance shall render the full unpaid amount immediately due and payable with interest added at the rate of 10 percent per annum from the date of default until the advance is repaid.
 - b. The City of Kirkland shall have a right to withhold any funds outstanding under this section from the employee's paycheck (or other payable owed to traveler) if the settlement is not made within 10 days after return.
4. Additional approval by the Department Director and Finance Director are required for excess expenditures of more than \$50.00 from the estimate. Amounts under this amount, resulting from incorrect estimates, can be approved by the Advance Travel custodian.
5. No advance of any kind may be made at any time when a traveler is delinquent in accounting for or in repaying a prior advance. The Finance Director has the right to revoke a traveler's privilege to use the Advance Travel process if the employee is habitually tardy in settling advances or otherwise abuses the process.

Approved by:

City Manager

APPENDIX A – Reimbursable Expense Policy Rates**Mileage Rate**

The City of Kirkland reimburses at the mileage rate set by the Internal Revenue Service. The current mileage rate for 2001 is 34.5 cents per mile. This rate is updated annually by the Finance Director.

Per Diem Rates

The per diem rate is set at \$ 45.00 per day, allocated as follows:

Breakfast	\$ 9.00
Lunch	\$ 11.00
Dinner	\$ 25.00

Directors' Travel Allowance Rate

Directors' monthly travel allowance is set at \$ 225. This allowance is paid through payroll and is considered taxable by the IRS. We currently provide the option of receiving this in one or two installments each month.