

Travel and Expense Reimbursement Policy – Adopted 11/18/14

City Council Members and Commissioners (“Official” or “Officials”) are allowed their actual and necessary expenses when traveling on official City business consistent with this policy, as outlined below. Reasonable modifications to this policy are allowed for an Official(s) with disabilities. An Official’s travel expense reimbursement is subject to a 30-day City Council review period.

1 Before Your Trip:

1.1 Authorized Budget

Travel is subject to the dollar limitations set forth in the City’s Annual Operating Budget. City Council travel is budgeted within the City Council Department “Travel, Conferences, and Meetings” account. Planning Commission travel is budgeted in the Development Services Planning Division “Commissioner Travel” account. Park and Recreation Commission travel is budgeted in the Community Services Recreation Division “Commissioner Travel” account.

1.2 Authorized Functions (i.e., Where can I go?)

Expenses incurred in connection with the performance of official duties at functions described below are eligible for reimbursable:

- a) Meetings of the City Council, Successor Agency, Housing Authority, Financing Authority, and any other government body or Ad Hoc Committee established by formal action of the Lake Forest City Council.
- b) Meetings attended as the Council-designated representative(s) (or Council designated alternate(s)) of the City as documented on the most recently adopted City Council Committee Appointments List.
- c) Meetings with the City Manager or his or her designee.
- d) City-sponsored events.
- e) Meetings of the Orange County Division of the League of California Cities (LOCC) and Association of California Cities – Orange County (ACCOC).
- f) Attendance at LOCC Annual Conference, LOCC Mayors and Council Members Executive Forum/Summit, LOCC policy committees (subject to LOCC appointment), and LOCC New Mayors and Council Members Academy.

- g) Attendance at educational seminars, conferences or activities designed to improve the Council Member or Commissioner's skill and knowledge provided the City is a member of the organization sponsoring the activity.
- h) Attendance at training sessions required by federal, state, or local law.
- i) Appearances before, or attending meetings of, state legislative committees, state regulatory bodies, state commissions, entities regulated by the California Public Utilities Commission, and other government entities, on behalf of the City of Lake Forest.

1.3 Advances

The City does not issue advances for travel. In lieu of an advance, officials may utilize a Cal-Card (i.e., a purchase VISA card) for expenses incurred while traveling on official City business.¹

1.4 City Council CAL- Cards

City Council Members are authorized to use a CAL-Card (i.e., a purchase VISA card) for travel expenses associated with out-of-town travel. When traveling, an official's Cal-Card shall have an expenditure limit of \$2,000. When not in use during specific travel, Cal-Cards shall have an expenditure limit of \$0. CAL-Cards are to remain in the possession of Officials, and Officials are responsible to report lost or stolen cards.

1.5 Reservations/Registrations

Officials attending meetings or traveling on official business may request staff assistance in arranging conference registration, hotel, and other travel reservations for authorized functions as listed in this policy.

1.5.1 Airline & Train Reservations

The City will purchase airline and train tickets for travel to functions listed in Section 1.2 (f) on an official's behalf **no later than fourteen (14) days in advance of travel**. The City will purchase airline and train tickets for travel to all other authorized functions as listed in this policy on an official's behalf. Tickets for functions listed in Section 1.2 (f) requested thirteen days or less in advance of travel must be purchased directly by the traveling official. Eligibility for reimbursement of airline and train tickets is outlined in Section II of this policy.

¹ The CAL-Card program, a State purchase VISA card program administered by US Bank, is offered to designated City officials as a streamlined way to procure and pay for City-related goods and services while reducing reimbursement, invoice, and check processing costs. Officials that utilize CAL-Cards are subject to program rules and regulations as outlined in the City's Purchasing Guidelines. CAL-Card purchases are restricted to specified merchant category codes.

2 While on Your Trip:

2.1 Traveling to Your Destination

Officials shall use the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo requirements, and the most direct and time-efficient route.

2.1.1 Air and Train Travel

Airfare and train fare shall be reimbursed at the actual ticket cost as stated on the receipt. Baggage handling fees up to \$2 per bag are reimbursable. Long-term parking shall be used for travel exceeding 24 hours.

2.1.2 Personal Automobile

Automobile mileage is reimbursable at the Internal Revenue Service (IRS) rate in effect at the time of the trip. The reimbursable amount shall be based on the actual mileage traveled for the purposes of the Traveler's official duties. In no case shall the amount of the reimbursement exceed the cost an airline ticket to the same destination purchased fourteen (14) days in advance of travel and, if applicable, the cost of a standard-size rental car.

2.1.3 Ground Transportation

Taxi, bus, train, shuttle or other similar fares, including associated gratuities of up to 20 percent, are reimbursable. Baggage handling fees up to \$2 per bag are reimbursable.

2.2 Meals and Incidental Expenses (M&IE)

The City maximum full day meal and incidental expenses rate shall be not greater than the maximum federal per diem meal and incidental expenses (M&IE) rate established by the General Services Administration (www.gsa.gov) based on the limit for the city or county to which the Official is traveling. Partial days per diem amounts are also established by the GSA. The GSA maximums include taxes and gratuities. Official must provide receipts for all meals and will be reimbursed at the lower of the appropriate per diem amount or the actual expense.

2.2.1 Meal Gratuities

Meal gratuities of up to 20 percent are reimbursable.

2.2.2 Alcoholic Beverages

There shall be no reimbursement for alcoholic beverages.

2.2.3 Meals Provided as Part of Functions

An Official may not request reimbursement for any meal which is provided or otherwise available to the official at a function, whether or not there is an actual

charge for the meal. For example, if lunch is provided at a function, the traveler may not request reimbursement for eating elsewhere.

2.3 Lodging

Actual lodging costs will be reimbursed when an Official's travel on official City business reasonably requires an overnight stay due to distance or an Official's need for sleep or rest to properly and safely perform their duties. The Official shall use lodging that is either: offered by a provider of lodging that is consistent with the per diem rates for lodging as established: (1) in IRS Publication 1542, as amended, or any successor publication; or (2) as a governmental rate offered by the provider of lodging.

2.3.1 Lodging for Conferences or Other Educational Activities

Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available to the Official at the time of booking. If the group rate is not available, then the Official shall use comparable lodging that is consistent with the per diem rates for lodging as established: (1) in IRS Publication 1542, as amended, or any successor publication; or (2) as a governmental rate offered by a provider of lodging.

2.4 Miscellaneous Expenses

Bridge, road tolls, housekeeping tips, parking fees and other similar miscellaneous expenses are reimbursable. Baggage handling fees up to \$2 per bag are reimbursable.

2.5 Unauthorized Expenses

Expenses the City will not reimburse include, but are not limited to:

- a) The personal portion of any trip.
- b) Political or charitable contributions or events.
- c) Family expenses, including a partner's expense when accompanying the Official on City-related business, as well as children or pet-related expenses.
- d) Entertainment expenses, including theater, movies (including in-room), sporting events (including but not limited to gym, massage and golf-related expenses), or other cultural events.
- e) Non-mileage personal automobile expenses, including traffic citations.
- f) Personal losses incurred while on City business.

3 After Your Trip:

3.1 Documentation of Expenses/ Expense Reports

Officials shall submit expense report forms, as provided by the City, to the City Manager or the Manager's designee within thirty (30) days of incurring the expense. The expense report is to be signed, under penalty of perjury, and state that all expenses listed were necessary, reasonable and incurred in connection with City business and in conformity with this Policy. If an Official does not submit expense report forms within thirty (30) days of incurring the expense, the Official will be ineligible for any future City paid travel arrangements or use of City Cal-Cards until the signed expense report form is submitted.

3.1.1 Expense Documentation

To qualify for reimbursement, expense reports must be accompanied by documentary evidence, such as a receipt, canceled check, or bill for each expense. The documentary evidence should show the amount, date, place, and essential character of the expense.

- a) If the evidence submitted is a bill, it must be itemized so as to sufficiently indicate which costs the Official claims are in connection with City-approved travel and for what purpose such costs were incurred (e.g., an itemized hotel bill would indicate costs for room, parking fee, meals, and room tax, with the respective cost of each listed on the bill).
- b) Any evidence submitted must be attached to a written statement signed by the Official attesting the evidence is an accurate depiction of the expense and that the charges are appropriate and incurred in connection with City business and in conformity with this Policy.
- c) Receipts shall document the expenses of the Official exclusively. Personal expenses (including, but not limited to, a partner's expenses) shall not be included on the submitted receipt.

3.1.2 Substitute Expense Documentation

If documentary evidence (e.g., receipt or bill) is not available, the following limitations on reimbursement shall apply:

- a) Lodging, food, and beverage expenses shall not be reimbursed.
- b) Per IRS guidelines, only expenses of less than \$75.00 shall be reimbursed where substitute documentary evidence is provided.

Acceptable forms of substitute documentary evidence may include, but are not limited to, written statements from the Official's guests or other witnesses setting forth detailed information about the expense, or an In Lieu of Receipt Form signed by the traveling Official. A sample In Lieu of Receipt Form is attached to this policy (Attachment 1).

3.1.3 California Public Records Act

All documents related to reimbursable City expenditures are subject to disclosure under the California Public Records Act Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1.

3.2 Reimbursement

The City will reimburse Officials for all actual and necessary expenses within the limitations of this policy.

3.2.1 Preliminary Review by Staff

The City Manager or his or her designee shall review all forms and documentary evidence as outlined in the attached Staff Travel Expenditure Review Procedure (Attachment 2).

3.2.2 City Council Expense Report Thirty-Day Review Period

An Official's signed expense report and related documentation shall be distributed to the City Council for a thirty-day review period following the preliminary review by staff.

3.2.2.1 City Council Review

By vote of the City Council during the thirty-day review period, reimbursement of an expense report shall be postponed pending discussion of the report at the next scheduled City Council meeting if so directed. Such discussion is optional, and absent a vote during the thirty-day review period to consider the report at a public meeting, the report shall be deemed approved.

3.2.2.2 Completion of Thirty-Day Review Period

Provided staff does not receive contrary direction from the City Council, staff will issue reimbursement to the Official based upon the submitted expense report following completion of the thirty-day review period.

4 Policy Violations:

Pursuant to California Government Code Section 53232.4, penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies may include, but are not limited to, the following:

- a) The loss of reimbursement privileges.
- b) Restitution to the City.
- c) Civil penalties for misuse of public resources pursuant to California Government Code Section 8314.
- d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

In addition to the above penalties as prescribed by State law, violation by an Official of this Policy shall result in the following:

- e) Termination of that Official's privilege to use City CAL-cards, unless such privilege is reinstated by the City Council; and/or
- f) Ineligibility for any future pre-paid travel, unless such eligibility is restored by the City Council.