



Policy # 2017003

Date in Effect: 10/1/2017

Travel and Meal Reimbursement Policy

OVERVIEW

Reimbursements received by an employee who travels on business outside of the area of his/her place of employment *may* be excludable from wages. The Internal Revenue Service (IRS) requires all expenses which are to be reimbursed by the employer to be documented. **This requires employees to obtain receipts or invoices, except as otherwise authorized, for all expenditures for which the employee seeks to have reimbursed.** These travel expenses may include: costs to travel to and from the business destination, transportation costs while at the business destination, lodging, meals, laundry and dry cleaning, and other miscellaneous expenses. Failure to submit receipts or invoices with the Travel Expense Form may result in the denial of reimbursement. However, providing receipts to document the expenses does not necessarily make the reimbursement non-taxable to the employee. This policy will give details on these reimbursements based upon the current IRS criteria.

POLICY

The following guidelines will govern City business related expenses, what is acceptable, and the process for non-taxable reimbursement to the employee.

Professional Meetings, Conferences, Training, or other required travel:

- A. ALL travel is to be approved first by the Department Supervisor and then by the appropriate hiring authority *prior* to any purchase or travel by completing a travel request form.
- B. Once the travel request form is completed and approved, the department will submit a requisition for the expenses and the Auditor shall issue an appropriate purchase order no later than three (3) business days but prior to any dates of travel.
- C. Reimbursement for any travel related expenses need to be submitted **within 60 days after return to the office from the travel.** There will be *no exceptions*. (IRS Publication 463, pg. 30)

Allowable Expense that may be eligible for non-taxable reimbursement to the employee:

- A. Travel related meal reimbursements will *not be made for travel within Hancock County.*
- B. Travel related meal reimbursement will not be made for any travel NOT exceeding 12 hours of travel status time. (§FTR 301-11.101).
- C. Travel related expense **advances** will not be given under any circumstance.
- D. Receipts shall be required for **ALL** travel related expense reimbursements.
- E. The following items are acceptable expenses when itemized receipts are provided upon the employee's return: taxi fares to and from the destination's airport and/or hotel; airport parking at the departing airport; parking costs at the hotel or conference center; toll fees; and rental cars only when approved in advance by the appropriate hiring authority.



Meals/Food

Per the IRS, “Federal law takes precedence over a state statute, or an employment or union contract, in determining the Federal tax liability for furnished meals.” This means that there is strict guidance that the City will adhere to in order to process non-taxable reimbursements.

The appropriate GSA Per Diem rates shall be used to determine the standard meal allowance reimbursement as follows:

- Overnight Stay. An employee traveling away from the City on official business overnight shall be reimbursed up to 100% of the appropriate federal per-diem rate for any and all meals consumed.
- First and last day of travel. An employee is authorized 75% of the federal per-diem rate.
- 12 hours Rule. An employee traveling away from the City on official business for longer than 12 hours shall be reimbursed up to 75% of the appropriate federal per diem rate for any and all meals consumed. (§FTR 301.11.101)
- Day Trips. An employee traveling away from the City on official business for less than 12 hours shall not be entitled to a meal allowance.
- Meal(s) provided. If an employee is entitled to per-diem meal reimbursement and a meal or meals are provided, the appropriate federal per diem rate shall be reduced and such meal or meals shall not be subject to reimbursement at the federal per-diem rate but in accordance with the table below:

<u>Breakfast</u> 25% of daily per-diem	<u>Lunch</u> 25% of daily per-diem	<u>Dinner</u> 50% of daily per-diem
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- A. Tips for meals may be eligible for reimbursement with an itemized receipt up to 20% of the reimbursable costs.
- B. Incidental snacks and drinks not associated with a meal are a personal expense and will not be reimbursed.
- C. The City **will not** reimburse any costs associated with the purchase of alcoholic beverages.
- D. Any non-allowable purchases shall be made on a separate receipt.
- E. If an employee is attending a conference, seminar, or workshop and the registration fee includes one or more meals, an employee shall not be reimbursed for other meals purchased during the same meal period, except for a breakfast purchased when a continental breakfast is included as part of the registration fee, or because of special dietary needs, or when a full course meal is not included.
- F. An employee shall be reimbursed for meal expenses incurred while traveling on City business. The maximum allowable reimbursement per day with receipts will be based upon the **IRS Maximum Federal Per-Diem Rates** in effect at the time of travel for the applicable city/county/state that the expense was incurred.
 1. If an employee spends more than the federal per-diem rate for the day and has receipts to document said expenses, the employee will **only** be reimbursed at the per diem rate.



2. Per-diem rates can currently be found at: www.gsa.gov/portal/category/100120. Be sure to search based on the zip code of the seminar/training location rather than that of the accommodations and verify that the correct year is chosen. Occasionally a search will yield more than one result. If the specific city of the travel destination appears it should be used rather than the standard rate. (Ex. Searching: Reynoldsburg, Ohio zip of 43068 will produce 2 results. One is Columbus and the other is the standard rate. The standard rate will be used since the training is in Reynoldsburg rather than Columbus.)
 3. In the case of traveling that requires the employee to stop for a meal on the way to the final destination (primarily out of state travel), that meal will be reimbursed at the standard rate in effect at the time of travel.
- G. Employees should exercise the same care in incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds.
- H. If the employee traveling is accompanied by a non-employee (spouse, child, etc.), only meal expenses related to the employee are eligible for reimbursement.

Transportation

- A. The mode of transportation shall be approved by the department supervisor and/or hiring authority.
- B. Air travel within the state of Ohio is not eligible for reimbursement.
- C. In the event that a City vehicle is not available, an employee may be reimbursed for mileage with prior approval of first the Department Supervisor and then the appropriate hiring authority. No reimbursements for mileage will be made without proper approval granted **prior to the travel**.
- D. A mileage reimbursement form must be completed in full and submitted. This includes the date of travel, business purpose, destination, and mileage.
- E. Mileage will be reimbursed at the Standard Federal Mileage Rate in effect at the time the travel occurred.
- F. Personal commuting between the employee's residence and place of work is considered personal use and will not be reimbursed.

Lodging

- A. Overnight lodging is permitted if the seminar or conference is more than one day **AND** more than 50 miles from the Municipal Building. Other overnight lodging shall be permitted upon approval of the appropriate hiring authority.
- B. In the event of an employee is away for more than five (5) consecutive days miscellaneous expenses such as laundry and dry cleaning may be reimbursed if an itemized receipt is submitted.
- C. No reimbursements will be made for entertainment, including but not limited to: movies, social or athletic activities, or alcoholic beverages.
- D. Reimbursement may be eligible for use of hotel Wi-Fi connection (if there is an extra charge for such use) with prior approval of the department supervisor.



- E. Hotel reservations shall be made with the City's credit card, not the employee's personal credit card. Hotel reservations should be arranged with the assistance of the department supervisor and/or hiring authority.
- F. The employee will be required to request and obtain a "Blanket Certificate of Exemption" to have the State sales tax exempted from room charge.
- G. An employee who doesn't furnish the hotel receipt (or any other receipt) that has been charged on the City's credit card will be taxed through payroll as a non-accountable fringe benefit.

Reimbursement Process

- A. To be reimbursed, the employee must complete in full an "Expense Statement and Request for Reimbursement" form listing all of the expenses that are requested for reimbursement.
- B. Itemized receipts must be attached to the "Expense Statement and Request for Reimbursement" form.
- C. The employee must sign the "Expense Statement and Request for Reimbursement" form.
- D. The employee must submit the completed "Expense Statement and Request for Reimbursement" form to the department supervisor, hiring authority or appropriate designee.
- E. The department supervisor and hiring authority must also sign the "Expense Statement and Request for Reimbursement" form.

Director of Law

Human Resources Director

Mayor

Three handwritten signatures in blue ink are present, corresponding to the titles listed to the left. The signatures are written over horizontal lines.