

**City of Minneapolis**  
**PROCEDURES FOR LOCAL TRAVEL AND EXPENSE**  
**REIMBURSEMENTS**  
**For City Employees and Officials**

Title	Local Travel Procedures related to the Travel Policy - Local Travel Section
Origin	These procedures are approved by the City Finance Officer
Dates	Updated as of 11/04
Links	<a href="http://citytalk/policies/travel-policies-and-procedures.asp">http://citytalk/policies/travel-policies-and-procedures.asp</a>
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Department Heads may require drivers to obtain a supervisor's written permission before using a private car for City business. Employees with approval to use their personal car will be reimbursed using the IRS tax deduction rate for business mileage. The mileage rate is linked from the City Travel site: <http://citytalk/policies/travel-policies-and-procedures.asp#TopOfPage>. Payment of this mileage rate is full payment for all costs of the private vehicle's operation, such as depreciation, financing costs, maintenance, repairs, gasoline, oil, insurance, taxes and vehicle registration fees.

City pool cars are available for local business travel. An employee's decision to use a personal auto for business trips does not obligate the City to pay for additional parking or mileage than would be necessary if a City pool car had been used. Convenience for the employee, by itself, is not a sufficient business reason to use a personal car for work-related local travel.

Employees who choose to use their own car for City business, instead of using an available City-owned vehicle, are agreeing to certain financial risks by doing so. First, the employee's personal car insurance (not the City's self-insurance fund) provides the primary coverage for vehicle and property damage if an accident occurs.<sup>1</sup> This primary coverage is assumed if the employee receives mileage reimbursement or if the use of their own car was not mandated by their job. In contrast, if the employee is on authorized business in a City vehicle, then the City pays for the damage to the City's and to other people's property. Second, using a personal car for work-related trips may increase the employee's car insurance rates, regardless of their personal accident record. Third, the employee may incur expenses (such as downtown parking fees) that are not reimbursable because the expense would not have happened if the employee had used a City pool car.

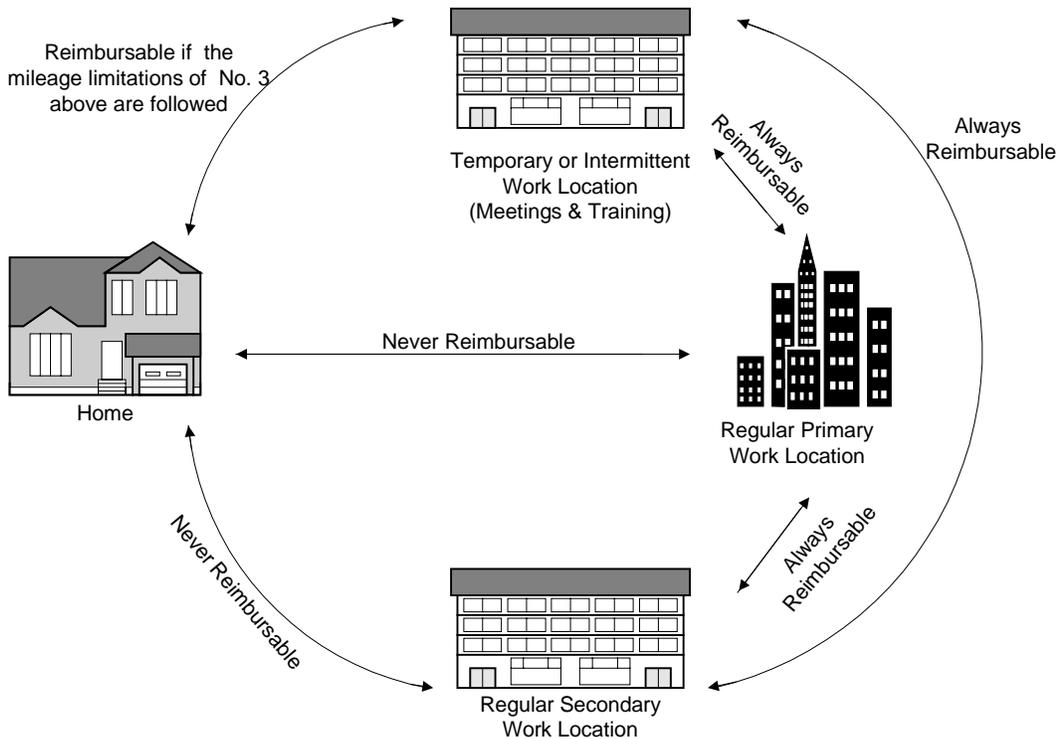
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<sup>1</sup> However, personal injury to the *employee* may be covered under the City's Workers' Compensation plan.

**Due to complex IRS regulations (links are at the end of this document), reimbursements for local transportation expenses are subject to the following conditions:**

1. Parking fees at the meeting location are reimbursable by submitting a receipt with the Auto Expense Report. However, parking fees for the time employees are at their regular work location(s) are not generally reimbursable.
2. In general, mileage claimed will be calculated from the traveler's regular primary work-site to the meeting and return. If an employee uses a personal auto to make it easier to travel from home to the meeting or from the meeting to home, the reimbursement amount will be determined by the calculation in number 3 below.
3. If the business trip includes the traveler's home as the starting or ending point, use of the traveler's personal car is eligible for business mileage reimbursement based upon the lesser of :
  - a) the distance between the traveler's home and the meeting location; OR
  - b) the distance between the traveler's regular primary work location and the meeting location.

**Reimbursable business mileage.** The diagram below illustrates the rules for City reimbursement of business-related mileage. For purposes of this diagram, all City job-sites in downtown Minneapolis are counted as one "work location."



**Commuting Expenses.** In general, the costs of commuting between home and work are personal expenses and will not be reimbursed by the City even if the employee:

1. Hauls work tools or equipment in their personal car while commuting; OR
2. Conducts business during the commute.

**Meals.** Meal costs are not reimbursable for business trips involving only local travel unless the trip requires the traveler to be away from their home and their normal work location for ten or more consecutive hours. When allowed, meal reimbursements during local travel will be limited to the actual expenses shown on receipts.

**Lodging.** Lodging expenses are not reimbursable for local business trips unless the trip destination is more than 250 miles one-way from the Minneapolis City Hall. Department Heads may grant an exception to this rule for unusual circumstances.

**Other Resources:**

IRS Publication No. 463: Travel, Entertainment, Gift and Car Expenses

<http://www.irs.gov/pub/irs-pdf/p463.pdf>

IRS Publication No. 15B: Employer’s Tax Guide to Fringe Benefits

<http://www.irs.gov/pub/irs-pdf/p15b.pdf>

Minneapolis Ordinance Sections 20.570 – 20.690 on “Automobile Allowances”

<http://www.ci.minneapolis.mn.us/cityhall/laws/ordinances/>