

City of Minneapolis
PROCEDURES FOR OVERNIGHT BUSINESS TRAVEL
for City Employees and Officials

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| Title | Overnight Travel Procedures related to the Travel Policy - Overnight Travel Section |
| Origin | These procedures are approved by the City Finance Officer |
| Dates | Approved as of 11/04 |
| Links | http://citytalk/policies/travel-policies-and-procedures.asp |
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Approval

An employee must first receive permission from his/her supervisor prior to researching costs for business travel. In addition, an employee must receive permission for the travel from the department head prior to reserving travel. For departments with a department travel coordinator who the department head has assigned to coordinate business travel when requested, the employee should decide whether to use this service or coordinate their own travel plans. Also, department heads may require stricter policies and procedures than those required for the city in general. Check with your department head or department travel coordinator for details before you travel.

Prepayments and Reimbursement Requirements

The city allows prepayment of travel costs directly to vendors, so long as there is appropriate documentation of the amounts payable and the payees. An expense incurred by a city employee or elected or appointed official during a city business trip will be reimbursed if all of the following requirements are met:

1. the item is a reasonable and necessary expense related to the performance of official work related activities while travelling on city business; and
2. the primary purpose of the expenditure is to facilitate a public or government interest for which the city is responsible, rather than a private or personal interest; and
3. the traveler provides adequate documentation of the expense and obtains the approval of an authorized signatory on the Travel Expense Report; and
4. the traveler has not and will not receive reimbursement for the claimed expense from any other source.

All authorized travel expenses that were not pre-paid by the city directly or by using a city Travel card will become part of reimbursed expenses upon submission of the [Travel Expense Report](#) to Accounts Payable.

Travel Card Program

[A travel card program](#) has been established that allows for credit card booking of various travel costs.

Please check with your department travel coordinator as to how this program functions for your department.

Ethics Policy and Business Travel

Travelers on city business shall review the City of Minneapolis Ethics Policy (contained in Chapter 15 of the Minneapolis Code of Ordinances) prior to the trip. In general, city employees and officials must not engage in activities that could create conflicts of interest. The safest choice is to neither solicit nor accept personal gifts, favors, food or beverages from any person or entity, although there are a few narrow exceptions to this rule listed in the Ethics Policy. For example, travelers on city business are usually allowed to accept meals and beverages from an organization of which the traveler is a member, as long as the same item is given to the other members of that organization. This situation commonly arises at conferences given by professional organizations where free beverages or food are made available to attendees as part of the conference hospitality service.

Any use of one's official position for personal gain is also forbidden. Among other things, the Ethics Policy forbids employees and officials from seeking reimbursement from the city for any city business travel expenses that have been paid or will be paid by a non-city entity. In addition, honorariums given to the traveler must be surrendered with the Travel Expense Report anytime the city pays for all or part of the traveler's business trip.

Travel Savings Belong to the City

The city encourages purchasing decisions that minimize the total cost of business trips. When a purchasing decision results in discounts for a travel expense, the amount saved belongs to the city. The savings cannot be used at the traveler's discretion to pay for other aspects of the business trip.

Travel Advances

Travel Advances are discouraged because of their high administrative costs. A Travel Advance must have the written approval of the traveler's department head and can be given only to full-time elected or appointed city officials and permanent city employees. The maximum advance payment is equal to the applicable federal per diem rate for Meals and Incidental Expenses (M&IE) times the number of approved business travel days. No travel advance will be given to a traveler who has not filed a Travel Expense Report for a previous trip. Form for requesting travel advance can be found at: <http://www.ci.minneapolis.mn.us/policies/form-travel-advance-request.xls>

Registration

Conference, seminar or convention registration may be pre-paid once approval from the department head has been received. Provide registration information to your department travel coordinator (or finance staff-person assigned to your area, if a department travel coordinator has not been assigned for your department).

Documentation: If not pre-paid by city, the receipt from the vendor and payment documentation, if not shown on the receipt, must be submitted for reimbursement.

Meals and Incidental Expenses (M&IE)

The city will pay for meals, tips and related taxes and service charges using the current per diem schedules as set by the federal government. The per diem allowance is a daily amount as set by

federal schedule instead of reimbursement for actual expenses for meals and related incidental expenses. The per diem allowance is separate from transportation expenses, lodging expenses and other miscellaneous expenses. The per diem allowance covers all charges, including any service charges where applicable for:

- (a) Meals including expenses for breakfast, lunch, dinner and related tips and taxes; and
- (b) Incidental expenses, including.
 - (1) Fees and tips given to waiters, and
 - (2) Transportation and tips between places of lodging or business and places where meals are taken, if suitable meals can't be obtained at site.

If actual expenses exceed the applicable per diem rate, the excess amount is a personal expense of the traveler. If actual expenses are less than the per diem rate, the traveler is not required to refund the difference to the city. However, the M&IE rates shall be reduced to comply with the federal government schedules when meals are furnished to travelers as part of conference fees paid by the city. These schedules can be found at: <http://citytalk/policies/per-diem-rates.asp>. Travel days (i.e., days of trip departure and return) are entitled to the full M&IE per diem rate unless the department head determines a lower amount should be applied for those days.

Documentation: For items in the M&IE category, receipts are not required.

Lodging and Miscellaneous Expenses

The accommodations must be reasonable and consider factors such as travel purpose, location, cost, safety and convenience. Lodging costs will be reimbursed at the "single occupancy" rate for a standard room. Employees should consider nearby hotels for conventions or seminars that specify hotels. Employees should request local government rates, promotional rates, Internet rates or other discounts in order to locate the lowest hotel rates. The federal government web site on hotels offering per diem: <http://hotelsatperdiem.com/> is a good resource in locating hotels that offer government rates. The [University of Minnesota contract](#) hotels are another good resource as the discounted rates are typically available to local government usage.

"Miscellaneous expenses" means city business travel costs other than airfare, registration fees, lodging charges, rental car fees or items that are included in the M&IE definition. Miscellaneous expenses include, but are not limited to, items such as internet access charges, fax charges and business telephone charges. Some miscellaneous expenses incurred during business travel may not be eligible for city reimbursement due to not meeting all of the reimbursement requirements. Also, department heads will decide reasonable and reimbursable miscellaneous expenses. If an employee needs to use a laptop to access work materials such as email, the employee should ask the hotel about Internet costs prior to travel. Pre-approval is required for Internet access charges and the department head should establish a maximum dollar amount allowable.

Documentation: An itemized bill from the vendor must be submitted. If the bill shows an outstanding/unpaid amount and the traveler claims that the bill has been paid, proof of payment documentation must be submitted. Proof of any required approvals must be provided.

TRANSPORTATION

Transportation Method

Traveler should choose the method of transportation that is the lowest total cost. Transportation costs include taxis (origin and destination), transportation to and from destination (mileage, air, train, rental car) and local transportation (taxi, rental car, parking, etc). The department head may waive the lowest cost choice restriction for employee safety reasons. The City reimburses the cost of the traveler's approved ground transportation to and from the main travel destination. This includes air, train, mileage, and rental car. Side trips not related to the trip purpose will not be reimbursed. The traveler is encouraged to use a City vehicle in lieu of personal vehicle whenever possible and when pre-approved by the department head.

The maximum reimbursement for ground transportation will be the lesser of:

1. Personal Car: the actual business trip mileage times the IRS mileage rate.
 2. Rental Car: the actual cost of the transportation
- Or,**
3. The cost of the lowest round trip non-business commercial airfare purchased at least 14 days before the travel starts and which includes a Saturday night stay in the destination area.

Documentation: The traveler is responsible for providing documentation that states what the coach round trip airfare would have been if personal or rental car is used instead.

Airfare

The city will reimburse for coach air only. If an employee stops over in another location for personal reasons, then the employee pays the fare difference. Documentation of the fare difference must be provided. The Internet may be used to procure lower cost travel, although penalties for changing or canceling itineraries must be considered when making a selection. Suggested web sites include www.expedia.com, www.Travelocity.com, www.Orbitz.com along with the major airline web sites. Employees should consider nearby cities when seeking low cost travel. For example, airfare to Newark, NJ plus taxi fare into New York City is often far cheaper than a direct flight to New York City.

Documentation: The remainder of the used airline ticket, boarding pass, E-ticket voucher and receipt showing flight details and cost must be submitted.

Travel to Minneapolis-St. Paul Airport

Taxi is allowable between the employee's home and the airport or the employee's work site and the airport. Shuttles and light rail should be considered where available and cost-effective. Mileage or airport parking with mileage may be used if cheaper than taxi. Reimbursement for taxi expenses to and from the Minneapolis-St. Paul airport may be limited to the lesser of \$25 per one-way trip or the amount shown on the taxi receipt, at the Department Head's discretion.

Documentation: Vendor receipts with payment documentation (Example: credit card statement - if payment is not shown on receipt), must be submitted. If mileage is requested, information must be provided from a recognized website, such as MapQuest, that details the number of miles between the home and the airport.

Parking

For all ground transportation, reimbursable parking is limited to daily parking at destination hotel and destination business site (except for airport parking at the Minneapolis-St. Paul airport as described under Taxi). Valet parking and all other parking are not allowable.

Documentation: Parking receipts must be provided.

Personal Car

Use of personal car for overnight travel must be pre-approved by the department head. Reimbursement is based on distance from the traveler's home. The City uses the IRS tax deduction [mileage rates](#) to calculate reimbursements to employees who use their personal car for overnight business travel. Payment of this mileage rate is considered 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.

Documentation: Information must be provided from a recognized website, such as [MapQuest](#), that details the number of miles from starting point to the final destination.

Ground Transportation in the Trip Destination Area

Costs of ground transportation within the trip destination area between the business site, airport and hotel (whether by personal car, rental car, shuttle, light rail, subway, City vehicle, taxi or bus) are reimbursable expenses.

Documentation: Vendor receipts with payment documentation, if not shown on receipt, must be submitted except for personal car use, which is addressed in Personal Car.

Rental Car

Pre-approval may be required by departments. Budget, compact and economy level cars are reimbursable. If a higher level car is used, the employee is responsible for paying for the upgrade.

Documentation: An itemized receipt from the rental agency and payment documentation, if not shown on the receipt, must be submitted.

Choosing Ground Transportation Instead of Airlines for Long Distance Trips

Travelers with trip destinations more than 250 miles one-way from the Minneapolis City Hall are not entitled to reimbursement for additional meals, nights of lodging or other miscellaneous expenses resulting from their personal choice to use ground transportation instead of commercial airlines. However, travelers may be reimbursed for transportation costs as allowed under the "Cars or Other Types of Public Ground Transportation" section of this Travel Policy.

Other Methods of Travel

Business travel using motorcycles, limousines (other than flat-fee airport limousine shuttles), boats or personal or rented airplanes is not allowed. Employees who travel using these methods do so at their own risk and will not be reimbursed for any trip expenses.

SPECIAL SITUATIONS

Combining Personal with Business Travel

When an employee combines personal and business travel, the City will reimburse the employee only for the documented expenses that are directly related to the business portion of the trip. Excess travel time and activities not required for the business trip purposes shall be at the traveler's own expense. Days added to the business trip for personal reasons and that fall within the traveler's normal workweek must be taken as vacation time, compensatory time or as unpaid leave.

Extending a Trip to get Lower Airfare or Hotel Rates

If the traveler chooses to extend the number of travel days to get lower airfare or hotel rates, the City will reimburse the Meals and Incidental Expenses (M&IE) per diem amount and lodging for the extra days, only if the following four conditions are met:

- 1) The traveler stays only for the shortest number of additional days needed to qualify for the cheaper rate AND
- 2) the amount saved as a result of the longer stay is documented and is equal to or more than the extra M&IE and lodging costs AND
- 3) the commercial airfare prices being compared are both based upon the lowest round trip non-business fare purchased at least 14 days before the travel starts AND
- 4) the traveler uses vacation time, compensatory time, or unpaid leave for the additional travel days that fall within the traveler's normal workweek.

The fourth requirement above may be waived in writing by a traveler's supervisor and counted as a workday if the traveler is normally subject to varying work shifts due to the 24/7 scheduling needs of the Department. Department Heads cannot require the travelers to extend their trip in order to save money for the Department when the business trip purpose does not require the additional days. However, an alternative traveler may be selected.

Documentation: Documentation of the comparison airfare, extended hotel, extended transportation and extended per diem for the extra days that meets the above conditions, along with proof of any required approvals, must be submitted.

Frequent Flyer Programs

Airline frequent flyer miles or credits received from an airline as a result of air travel paid for by the city must not be used by the employee for personal travel but must be reported and turned over to the city as required by Minn. Stat. 15.435.

If a city business traveler claims the mileage on a personal frequent flyer account, the city must be reimbursed within 30 days when the miles are later redeemed for a travel award or benefit. The reimbursement to the city shall be at the rate of 2 cents for each redeemed mile earned from airline tickets purchased for city business.

This section of the Travel Procedures shall be automatically amended or repealed whenever Minnesota Statutes Section 15.435 is amended or repealed.

Travel Expense Report

The Travel Expense Report must be filled out and signed by the employee and the appropriate approver at the end of the trip. The employee must disclose items pre-paid by the City and items paid by the employee. Employees may not request reimbursement for a charge that the City has already paid. For foreign travel, all reimbursable expenses that were not paid using a credit card or US currency must be converted to US currency before listing them on the Travel Expense Report. A [conversion tool](#) is available in the city Travel web site. The interbank rate with 0 percent increase must be used.

Payroll Deduction

Travel costs, which were improperly paid to employees, will be deducted from the employees' payroll unless the employee promptly reimburses the City for the improper payments.

Trip Change or Cancellation Costs

The following outlines responsibility for change and cancellation costs:

- A. If cancelled or changed due to work demands, then payable by City (reschedule if possible or employee may reimburse City if a personal use is desired). If, however, the cancellation fee is due to a cancellation penalty for not canceling in a timely manner, then the employee is responsible
- B. If cancelled or changed due to personal demands, then all charges are payable by traveler
- C. In either case, the City is not responsible for costs for companions

Documentation: Documents showing the charges due to changes in travel plans due to work demands must be provided.

Exceptions to the Travel Procedures

Department Heads may request exceptions to the Travel Procedures for unusual circumstances. An exception will be granted only if the written rationale is signed by the Department Head and the Finance Officer.

Table 1

| TRAVEL EXPENSES THAT MAY BE REIMBURSED | | |
|---|---|--|
| depending on the circumstances and the discretion of the Department Head | | |
| Type of Expense | Documents Required | Comments |
| Expenses of being a host or "goodwill ambassador" to others, such as meals, entertainment, gifts or activities for "sister cities". | Itemized invoice or receipt and payment documentation | These expenses are normally allowed, if at all, for elected or appointed officials who are acting in an official capacity. |

Table 2

| TRAVEL EXPENSES THAT ARE <u>NOT</u> REIMBURSABLE | |
|---|---|
| Type of Expense | Comments |
| Alcoholic Beverages. Traffic or parking tickets or fines for misconduct. | |
| Hotel in-room movies, added refrigerators, dry cleaning charges, laundry charges, passport charges, personal calls, computer games or Internet access for personal use. | |
| Travelers or baggage insurance. Supplemental car insurance purchased at the rental car agency. | The insurance may benefit the employee but does not serve a public purpose. |
| Cost of a “substitute” meal when the conference price includes a standard meal for attendees. | This rule is consistent with the ones used by the federal government, the U of M and the State of MN. |
| Personal grooming, fitness or therapeutic services, such as salon services or health clubs. | |
| Cost of replacing personal items needed for the trip but left at home. Loss or theft of personal cash or property. | |
| Costs incurred at home because the employee is on a business trip (babysitting, snow shoveling, etc.). | |
| Expenses related to side trips not related to the business purpose of the trip | |
| Annual fees, interest or late payment charges on an employee’s personal credit card, even if used for trip expenses. | |
| Expenses of a traveling companion who is not a city employee | |