

ORDINANCE NO. 93-17

AN ORDINANCE OF THE TOWN OF SPRING HILL, TENNESSEE
TO ESTABLISH TRAVEL REIMBURSEMENT REGULATIONS
FOR CITY OFFICIALS AND CITY EMPLOYEES
CONDUCTING OFFICIAL BUSINESS AND TO AMEND
THE SPRING HILL MUNICIPAL CODE ACCORDINGLY

PURPOSE

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF
THE TOWN OF SPRING HILL:

The purpose of this ordinance and referenced regulations is to bring Spring Hill into compliance with Public Acts 1993, Chapter 433 of the Tennessee General Assembly. This act requires Tennessee municipalities to adopt travel and expense regulations covering expenses incurred by any mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body, and any official or employee of the municipality whose salary is set by charter or general law.

To provide consistent travel regulations and reimbursement, this ordinance is expanded to cover regular city employees. It's the intent of this policy to assure fair and equitable treatment to all individuals traveling on city business at city expense.

ENFORCEMENT

The chief administrative officer (CAO) of the city or his or her designee shall be responsible for the enforcement of these travel regulations.

TRAVEL POLICY

- A. In the interpretation and application of this ordinance, the term "traveler" or "authorized traveler" means any elected or appointed municipal officer or employee, including members of municipal boards and committees appointed by the mayor or the municipal governing body, and the employees of such boards and committees who are traveling on official municipal business and whose travel was authorized in accordance with this ordinance. "Authorized traveler" shall not include the spouse, children, other relatives, friends, or companions accompanying the authorized traveler on city business, unless the person(s) otherwise qualifies as an authorized traveler under this ordinance.

B. Authorized travelers are entitled to reimbursement of certain expenditures incurred while traveling on official business for the city. Reimbursable expenses shall include expenses for transportation; lodging; meals; registration fees for conferences, conventions, and seminars; and other actual and necessary expenses related to official business as determined by the CAO. Under certain conditions, entertainment expenses may be eligible for reimbursement.

C. Authorized travelers can request either a travel advance for the projected cost of authorized travel, or advance billing directly to the city for registration fees, air fares, meals, lodging, conferences, and similar expenses.

Travel advance requests are not considered documentation of travel expenses. If travel advances exceed documented expenses, the traveler must immediately reimburse the city. It will be the responsibility of the CAO to initiate action to recover any undocumented travel advances.

D. Travel advances are available only for special travel and only after completion and approval of the travel authorization form.

E. The travel expense reimbursement form will be used to document all expense claims.

F. To qualify for reimbursement, travel expenses must be:

- directly related to the conduct of the city business for which travel was authorized, and
- actual, reasonable, and necessary under the circumstances. The CAO may make exceptions for unusual circumstances.

Expenses considered excessive will not be allowed.

G. Claims of \$5 or more for travel expense reimbursement must be supported by the original paid receipt for lodging, vehicle rental, phone call, public carrier travel, conference fee, and other reimbursable costs.

H. Any person attempting to defraud the city or misuse city travel funds is subject to legal action for recovery of fraudulent travel claims and/or advances.

- I. Mileage and motel expenses incurred within the city are not ordinarily considered eligible expenses for reimbursement.

TRAVEL REIMBURSEMENT RATE SCHEDULES

Authorized travelers shall be reimbursed according to the federal travel regulation rates.

The travel reimbursement rates will automatically change when the federal rates are adjusted.

The municipality may pay directly to the provider for expenses such as meals, lodging, and registration fees for conferences, conventions, seminars, and other education programs.

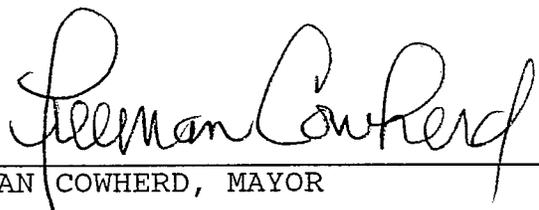
ADMINISTRATIVE PROCEDURES

The city adopts and incorporates by reference, as if fully set out herein, the administrative procedures submitted by the Municipal Technical Assistance Service (MTAS) to, and approved by letter from, the Comptroller of the Treasury, State of Tennessee, in June 1993. A copy of the administrative procedures is on file in the office of the Recorder and a copy is attached hereto.

CODIFICATION

This ordinance shall be set forth as Section 1-907 of the Spring Hill Municipal Code and Chapter 9, Title 1 of this Code is hereby accordingly amended.

Passed and adopted by the Board of Mayor and Aldermen of the Town of Spring Hill on this the 16th day of August, 1993.



FREEMAN COWHERD, MAYOR

ATTEST:

June Quirk
JUNE QUIRK, RECORDER

LEGAL FORM APPROVED:

ROBIN S. COURTNEY,
TOWN ATTORNEY

Passed on 1st Reading: 7-19-1993
Passed on 2nd Reading: 8-16-1993

ADMINISTRATIVE PROCEDURES

TRAVEL REQUESTS

To ensure reimbursement for official travel, an approved travel authorization form is required. Lack of pre-approval does not prohibit reimbursement, but it does assure reimbursement within the limits of the city travel policy. All costs associated with the travel should be reasonably estimated and shown on the travel request form. An approved request form is needed before advanced expenses are paid or travel advances are authorized. A copy of the conference program, if applicable, should be attached to the form. If the program is not available prior to the travel, submit it with the reimbursement form.

TRAVEL DOCUMENTATION

It's the responsibility of the authorized traveler to:

1. prepare and accurately describe the travel,
2. certify the accuracy of the reimbursement request,
3. note on the reimbursement form all direct payments and travel advances made by the city, and
4. file the reimbursement form with the necessary supporting documents and original receipts.

The reimbursement form should be filed with the finance department within 10 days of return or at the end of the month, whichever is more practical.

Transportation

All potential costs should be considered when selecting the modes of transportation. For example, airline travel may be cheaper than automobile when time away from work and increased meal and lodging costs are considered. When time is important, or when the trip is so long that other modes of transportation are not cost-beneficial, air travel is encouraged.

If the traveler goes outside the state by means other than air, the reimbursement will be limited to air fare at tourist or economy class, ordinary expenses during the meeting dates, and one day's meals and motel before and after the meeting. The traveler will be required to take annual leave for any additional time taken beyond the day before and the day after the meeting dates.

Exceptions: When the traveler extends the trip with personal time to take advantage of discount fares, the reimbursement will be limited to the lesser of:

1. the actual expenses incurred or
2. the amount that would have been incurred for the business portion only. The calculations for the business portion of the trip must be made using the least expensive rates available.

All expenses and savings associated with extending the trip must be submitted with the expense reimbursement form.

A. Air

When possible, the traveler should make full use of discounts for advance airline reservations and advance registration. The traveler should request conference, government, or weekend rates, whichever is cheaper, when making lodging or rental car reservations. The city will pay for tourist or economy class air travel. The traveler should get the cheapest reasonable fare and take advantage of "Super Saver" or other discount fares. Airline travel can be paid by direct billing to the city.

Mileage credits for frequent flyer programs accrue to the individual traveler. However, the city will not reimburse for additional expenses -- such as circuitous routing, extended stays, layovers to schedule a particular carrier, upgrading from economy to first class -- for travelers to accumulate additional mileage or for other personal reasons.

The city will not reimburse travel by private aircraft unless authorized in advance by the CAO.

B. Rail or Bus

The city will pay for actual cost of ticket.

C. Vehicles

Automobile transportation may be used when a common carrier can't be scheduled, when it's more economical, when a common carrier isn't practical, or when expenses can be reduced by two or more city employees traveling together.

- **Personal Vehicle.** Employees should use city vehicles when possible. Use of a private vehicle must be approved in advance by the CAO. The city will pay a mileage rate not to exceed the rate allowed by the federal or state schedule, whichever the city adopts. The miles for reimbursement shall be paid from origin to destination and back by the most direct route. Necessary vicinity travel related to official city business will be reimbursed. However, mileage in excess of the

Rand-McNally mileage must be documented as necessary and business-related. If an indirect route is taken, the Rand-McNally mileage table will be used to determine the mileage to be reimbursed.

If a privately owned automobile is used by two or more travelers on the same trip, only the traveler who owns or has custody of the automobile will be reimbursed for mileage. It's the responsibility of the traveler to provide adequate insurance to hold harmless the city for any liability from the use of the private vehicle.

In no event will mileage reimbursement, plus vicinity travel and associated automobile costs, exceed the lowest reasonable available air fare and associated air fare travel costs.

Travelers won't be reimbursed for automotive repair or breakdowns when using their personal vehicle.

- **City Vehicle.** The city may require the employee to drive a city vehicle. If a city vehicle is provided, the traveler is responsible for seeing that the vehicle is used properly and only for acceptable business. The employee will be reimbursed for expenses directly related to the actual and normal use of the city vehicle when proper documentation is provided. Out-of-town repair cost to the city vehicle in excess of \$100 must be cleared with the proper city official before the repair is authorized.
- **Rental Cars.** Use of a rental car isn't permitted unless it's less expensive or otherwise more practical than public transportation. Approval of car rental is generally required in advance by the CAO. Always request the government or weekend rate, whichever is cheaper. Anyone who uses a rental car for out-of-state travel must obtain liability coverage from the vendor.
- Fines for traffic or parking violations won't be reimbursed by the city.
- Reasonable tolls will be allowed when the most direct travel route requires them.

D. Taxi, Limousine, and Other Transportation Fares

When an individual travels by common carrier, reasonable fares will be allowed for necessary ground transportation. Bus or limousine service to and from airports should be used when available and practical. The city will reimburse mileage for travel to and from the local airport and parking fees,

provided such costs don't exceed normal taxi/limousine fares to and from the airport. Receipts are required.

For travel between lodging quarters and meetings, conferences, or meals, reasonable taxi fares will be allowed. Remember, original receipts are required for claims of \$5 or more. Transportation to and from shopping, entertainment, or other personal trips is the choice of the traveler and not reimbursable.

Reimbursement claims for taxis, limousines, or other ground transportation must be listed separately on the expense form, claiming the destination and amount of each fare.

Lodging

The amount allocated for lodging shall not ordinarily exceed the maximum per diem rates authorized by the federal or state rate schedule, whichever is chosen by the city.

- A. If the city reimburses using the federal rates, the Federal Travel Register provides guidelines for determining the maximum that can be reimbursed for lodging. These amounts are available by requesting a copy of IRS Publication 1542. The rates in that publication are the maximum reimbursable rates for hotel rooms. (Taxes on lodging are not included in the per diem limitation.)

If the city chooses Tennessee's reimbursement rate, the amount is \$33, plus appropriate taxes

- B. Original lodging receipts must be submitted with the reimbursement form. Photocopies are not acceptable.
- C. If a traveler exceeds the maximum lodging per diem, excess costs are the responsibility of the traveler.
- D. If the best rate is secured, and it still exceeds the maximum lodging per diem, the CAO may authorize a higher reimbursement amount.

Even if it costs more, travelers may be allowed to stay at the officially designated hotel of the meeting; however, more moderately priced accommodations must be requested whenever possible. It will be the traveler's responsibility to provide documentation of the "officially designated meeting site" room rates, if these rates are higher than the normal reimbursable amounts.

- E. If two or more city employees travel together and share a room, the lodging reimbursement rate will be the

maximum of two single rooms. If an employee shares a room with a non-employee, the actual cost will be allowed up to the maximum reimbursable amount. The receipt for the entire amount must be submitted with the expense form.

Meals and Incidentals

Receipts are not required for meals and incidentals. The authorized traveler may be reimbursed the daily amount based on the rate schedule and the authorized length of stay. The per diem meal amounts are expected to cover meals, tips, porters, and incidental expenses. The authorized traveler won't be reimbursed more than this.

Whether meals may be claimed depends on when the traveler leaves and returns to the official station. The traveler's official station is home or work, whichever produces the least cost to the city. When partial day travel is involved, the current per diem allowance is determined as follows:

<u>Meal</u>	<u>If departure before</u>	<u>If return after</u>
Breakfast	7 a.m.	8 a.m
Lunch *	11 a.m.	1:30 p.m.
Dinner **	5 p.m.	6:30 p.m.

* Generally, lunch will not be reimbursed unless overnight travel is involved. Lunch may be reimbursed if departure is before 11 a.m. and the employee is eligible to be reimbursed for dinner.

** When overnight travel is involved, dinner reimbursement is made regardless of departure time.

Regardless of which reimbursement rate the city uses, the amounts include tip, gratuity, etc. The hour and date of departure and return must be shown on the expense reimbursement form.

The excess cost of an official banquet may be allowed provided proper documentation or explanation is submitted with the expense reimbursement form. If a meal is included as part of a conference or seminar registration, or is included with the air fare, then the allowance for that meal should be subtracted from the total allowance for the day. For example, if a dinner is included as part of the conference fee, the maximum meal allowance for the day should be reduced by the allowed dinner amount.

PLEASE NOTE:

The municipality has selected to reimburse travelers at the Federal [enter either federal or state] travel regulation rates. The city's rates will automatically change when the selected agency rates are adjusted.

[The city can order a copy of IRS Publication 1542 for a complete list of federal rates allowed. For more state rate information, contact the Department of Finance and Administration at (615) 741-2401.]

Miscellaneous Expenses

- A. Registration fees for approved conferences, conventions, seminars, meetings, and other educational programs will be allowed and will generally include the cost of official banquets, meals, lodging, and registration fees. Registration fees should be specified on the original travel request form and can include a request for pre-registration fee payment.
- B. The traveler may be reimbursed for personal phone calls while on official travel, but the amount will be limited to \$5 per day.
- C. A \$4 allowance will be reimbursable for hotel/motel check-in and baggage handling expenses.
- D. Laundry, valet service, tips and gratuities are considered personal expenses and aren't reimbursable.
- E. For travel outside the United States, all expenses claimed must be converted to U.S. dollars. The conversion rate and computation should be shown on each receipt.

Entertainment

The city may pay for certain entertainment expenses provided that:

- A. the entertainment is appropriate in the conduct of city business;
- B. the entertainment is approved by the CAO;
- C. the group or individuals involved are identified; and
- D. documentation is attached to the expense form to support the entertainment expense claims.

To request reimbursement for authorized entertainment expenses, be sure to include with the expense reimbursement form:

- A. required receipts. All requests must be supported by original receipts from the vendor (restaurant, caterer, ticket office, etc.). Reasonable tips and gratuities included on the receipt by the vendor are reimbursable.
- B. a disclosure and explanation statement, explaining the purpose of the entertainment and identifying the group and the number of people entertained (or individual names listed if not a recognized group).

If the CAO is the person filing the claim, then it must be approved by the governing board before the finance officer authorizes payment.

TRAVEL RECONCILIATION

- A. Within 10 days of return from travel, or by the end of the month, the traveler is expected to complete and file the expense reimbursement form. It must be certified by the traveler that the amount due is true and accurate. Original lodging, travel, taxi, parking, and other receipts must be attached.

If the city provided a travel advance or made advanced payment, the traveler should include that information on the expense form. In the case of advances, the form should have a reconciliation summary, reflecting total claimed expenses with advances and city pre-payments indicated. The balance due the traveler or the refund due the city should be clearly shown -- below the total claim on the form or in a cover memo attached to the front of the form.

- B. If the traveler received a travel advance and spent less than the advance, the traveler should attach a check made payable to the city for that difference.
- C. The CAO will address special circumstances and issues not covered in this ordinance on a case-by-case basis.

DISCIPLINARY ACTION

Violation of the travel rules can result in disciplinary action for employees. Travel fraud can result in criminal prosecution of officials and/or employees.

By Henry, McNally

Substituted for: House Bill No. 1550

By Bragg, Kisber

AN ACT Relative to travel and expense regulations for municipal governments and to amend *Tennessee Code Annotated*, Title 6, Chapter 54.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. *Tennessee Code Annotated*, Title 6, Chapter 54, is amended by adding the following as a new section:

() Notwithstanding the provisions of any public or private act to the contrary, in all municipalities of the state, any mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and any official or employee of the municipality whose salary is set by charter or general law may be reimbursed from municipal funds for the actual expense which such municipal officer may incur as an incident to holding such office. The municipal legislative body shall by ordinance determine whether or not to pay the expenses of the mayor or any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and any official or employee of the municipality whose salary is set by charter or general law; and if it is determined that the municipality will reimburse expenses, shall enact a written policy as to how expenses will be reimbursed and determine what expenses are reimbursable. In such municipality it shall be the duty of the chief administrative officer or his/her designee to prescribe forms on which expenses will be reported, and it is further made his duty to examine such expense report to determine if all expenses so listed as reimbursable are legally reimbursable expenditures within the schedule as determined by the municipal legislative body and, if such listed expenses are reimbursable, then to forward the expense report to the proper disbursing officer for payment.

SECTION 2. To the extent not adequately documented as provided in Section 1, expense allowances shall be considered compensation for purposes of any salary limitations as may be provided by statute, charter or private act.

SECTION 3. All municipal travel and expense reimbursement policies, and any amendments thereto, shall be filed with the Office of the Comptroller or his designee. Such policies and amendments are not subject to the approval of, but shall not be effective until filed with, the Office of the Comptroller.

SECTION 4. The Municipal Technical Advisory Service (MTAS) shall disseminate, and amend from time to time as necessary, a model travel and expense policy to provide guidance for the various municipalities. Such policy and amendments thereto shall be subject to the approval of the Comptroller. Any municipality that adopts the policy promulgated by MTAS shall not be required to file such policy with the Comptroller's office.

SECTION 5. Municipalities may provide vehicles for the use of mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and official or employee whose salary is set by charter or general law. Such vehicles shall be provided pursuant to a written policy adopted by the municipal legislative body. The written policy for vehicle use shall be separate from the travel and expense policy provided for in the previous sections and shall contain no other subject matter.

SECTION 6. In addition to the authority to reimburse expenses provided in the preceding sections of this act, municipalities may pay directly for travel expenses, including meals and lodging, and registration fees for conferences, conventions, seminars, and other education programs on behalf of the mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and any official or employee whose salary is set by charter or general law, provided payment is made directly to the provider and not to the official or employee.

SECTION 7. The provisions of this act do not apply to municipalities nor to metropolitan governments with a population greater than 100,000 according to the most recent federal decennial census. Those municipalities and metropolitan governments may elect to pay and/or reimburse expenses for their officials in accordance with travel and expense policies that may be adopted and amended from time to time by the appropriate bodies or officials.

SECTION 8. This act shall take effect July 1, 1993, the public welfare requiring it.

AUTHORIZATION FOR TRAVEL

CITY OF _____

I hereby request authority for travel on official city business to the destination on the dates and for the purpose indicated below:

DATE	CITY & STATE	HOTEL ADDRESS	PURPOSE OF TRIP

A C C O M P A N I E D B Y

Applicant _____ Department Account _____

Signature _____

Total Estimated Cost of Travel \$ _____

SPECIAL FUNDING REQUESTS (Circle items requested.)

- (1) Registration Prepayment
- (2) Prepaid Airline Tickets
- (3) Travel Advance of \$ _____

APPROVAL (Please Note--Approval of travel requests by the signatory below indicates that adequate funding is provided in appropriations to cover the estimated cost of this travel.)

Signature _____

Signature _____

Department Head

Chief Administrative Officer

STATEMENT of EXPENSE CLAIMS incurred while traveling on city business.

NAME:	ADDRESS:
SOCIAL SECURITY NO.	
AMOUNT TO PAY:	ZIP CODE

Date Mo Day Year	DESCRIPTION	AMOUNT		ACCOUNT NAME	ACCOUNT NUMBER	OBJECT CODE	AMOUNT
	TRAVEL		1				
			2				
			3				

Object of Trip:

Departure Date: _____ Hour: _____ Return Date: _____ Hour: _____

Date Mo Day	Where Incurred	Lodging	MEALS			Trans- portation	Other Expenses Taxi, phone, entertainment, etc. Item Amount	Total each line
			Break- fast	Lunch	Dinner			
Total each column							Total each column	

<p>If an adjustment is made a supplemental expense account may be filed when proper documentation has been obtained. The original reimbursement check number should be referenced when filing a supplemental claim. Check No. _____</p> <p>APPROVED _____ HEAD OF DEPARTMENT DATE _____</p> <p>APPROVED _____ MAYOR/MANAGER DATE _____</p>	<p>I certify that the above stated expenses were incurred by me while traveling on City business.</p> <p><input type="checkbox"/> If an error is found, please return for correction. (Otherwise the necessary adjustment will be made.)</p> <p style="text-align: center;">(SIGNATURE)</p>
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(TITLE)



PLEASE STAPLE RECEIPTS TO THIS FORM

STATE AND FEDERAL REIMBURSEMENT RATE COMPARISON

The following travel reimbursement rates are current (June 1993) for some of the more common travel expenses. State officials are discussing an increase in the rates below, but nothing's final.

Expense Item	State Rates	Federal Rates
Personal Vehicle	.22 cents mile	.28 cents mile
In-State Meals		
Breakfast	\$4	\$5
Lunch	\$6	\$8
Dinner	\$9	\$13
Out-of-State Meals		
Breakfast	\$6	*
Lunch	\$8	*
Dinner	\$14	*

* Generally, the meal rate for in-state and out-of-state is the same. Exceptions to this include those locations designated as a **high-low substantial method** locality. (For a definition of this term, see IRS publication 1542.) There are less than 70 cities nationwide that qualify for the maximum \$34 food allowance and none of these cities is in Tennessee.

Lodging (amounts + applicable taxes) \$33*
\$40**

* The CAO is authorized to make exceptions to the lodging amount for out-of-state, high-cost city lodging.

** Except in those locations that qualify as a **high-low substantial method**, as listed in IRS Publication 1542. For municipalities that adopt the federal rates, there are about 500 cities that qualify. The Tennessee cities that meet the federal criteria for higher room rate reimbursement are:

- Chattanooga - \$45
- Columbia - \$49
- Gatlinburg - \$63
- Johnson City - \$54
- Kingsport/Bristol - \$45
- Knoxville - \$53
- Memphis - \$56
- Murfreesboro - \$44
- Nashville - \$52
- Shelbyville - \$52

Initial check-in service fee	\$4	\$0
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