

Travel Policies and Travel Reimbursement



Travel Policies & Travel Reimbursement

Each city/town should have a travel policy adopted by Council

Things to consider:

- What constitutes “travel” - does it need approved by someone?
- Travel in employee’s vehicle - reimbursed at a set rate for each mile traveled
- Travel expenses while in a city/town owned vehicle - how to handle
- Lodging expenses
- Meals expenses while traveling
- Per Diem
- Meals provided by others while traveling

Meal expense advances

State Called Meetings

Travel Policies & Travel Reimbursement

Establishing the Policy -

Required by the *Manual*, Chapter 1:

Travel Policy

Each unit must adopt a written travel policy in conformity with applicable laws. Reimbursement for lodging and meals must be based upon actual receipts for amounts paid unless otherwise authorized by law.

- We recommend establishing by Ordinance
- “Travel” should be defined
- Address if approval is necessary prior to travel
- “Boundaries” defined - like only travel outside city limits

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Travel in Employee Vehicle - Reimbursement

- Mileage can be paid for travel in an employee owned vehicle if authorized in the policy
- Rate should be fixed by the board approving claims for travel expenses
- The rate can be set in the policy for the Federal or State reimbursement rate in effect when the travel occurred
- Commuting mileage is not reimbursable
- More than one employee rides - only one reimbursement would be permitted
- Also, if a city/town owned vehicle is available, the policy should state the preferred method of travel - use own vehicle or take the city/town owned one

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Meal Expenses:

Per Diem - you can pay a per diem instead of actual meal expenses

- Approved and included in the policy
- For expenses other than hotel and mileage costs
- Under what circumstances - Is an overnight stay required?
- Amount fixed by governing body
- Can be in lieu of employee submitting paid, itemized receipts
- Policy should make provisions for proportionate reduction if meals are provided by an outside party

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Meal Expenses - Advances:

IC 5-11-10-1.6(c):

“ . . . This subsection does not prohibit a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation.”

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Lodging:

- Overnight expenses permitted by the policy
- Define boundaries in order for reimbursement to be permitted
- Requires adequate documentation of stay:
 - paid receipt from hotel
 - specify in policy
- Consider other charges
 - phone calls, movies, room service, laundry, etc.

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Other considerations - Incidentals:

Can be reimbursed - must be clearly defined in policy

- ✓ Tips
- ✓ Taxi's
- ✓ Parking
- ✓ Toll Booths

All should require documentation supporting the amount being reimbursed

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Documentation - What Would SBOA Expect During An Audit:

- Required as with any other disbursement of public funds
- Original receipts should be required in the policy
- Paid receipts printed off internet would be allowed (if not photocopied)
- Employee's personal credit card statement may be permissible if no other method is available (this would be a "last resort").

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Other Considerations:

- Travel expenses of spouse - generally not permitted
- Conferences and other events not attended
 - If any payments were made in advance, like airline or registration, policy should address who is responsible if employee does not attend
 - Employee illness
 - Death in the family
 - Decided not to attend

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State Called Meetings:

IC 5-11-14-1(g) permits:

- mileage to be reimbursed at a rate determined by the fiscal body
- lodging is permitted to be reimbursed - note the distance requirement
- meals purchased

(g) Each official representing a unit and attending any conference under this section shall be allowed the following:

(1) A sum for mileage at a rate determined by the fiscal body of the unit the official represents for each mile necessarily traveled in going to and returning from the conference by the most expeditious route. Regardless of the duration of the conference, only one (1) mileage reimbursement shall be allowed to the official furnishing the conveyance even if the official transports more than one (1) person.

(2) An allowance for lodging for each night preceding conference attendance in an amount equal to the single room rate. However, lodging expense, in the case of a one (1) day conference, shall only be allowed for persons who reside fifty (50) miles or farther from the conference location.

(3) Reimbursement of an official, in an amount determined by the fiscal body of the unit the official represents, for meals purchased while attending a conference called under this section.