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RESOLUTION NO. 1333

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, APPROVING A REVISED EMPLOYEE TRAVEL POLICY.

WHEREAS, the City of Salisbury desires to make changes to its current travel policy consolidating the City Council travel policy and the City employee travel policy, and

WHEREAS, the City would like to increase the per diem meal allowance from \$35 per day to \$40 per day, and

WHEREAS, the City would like to expedite the travel advance and reimbursement for employee travel, and

WHEREAS, the City would like to make other minor changes in the current policy.

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council adopts the attached revised City Travel Policy for inclusion in the Employee Handbook.

The above Resolution was introduced and read and passed at the regular meeting of the council of the City of Salisbury held on this 28th day of November, 2005.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Michael P. Dunn
COUNCIL PRESIDENT

APPROVED BY ME this _____ day of
_____, 2005

Barrie P. Tilghman
MAYOR, City of Salisbury

City of Salisbury
Travel Policy
August 19, 2005

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General - Overnight Travel

The City of Salisbury provides for certain expenses incurred by a City employee (or elected official) traveling on official business. Anyone traveling on official City business is expected to exercise the same care incurring expenses as would a prudent person traveling for personal reasons. Same day travel must be approved by the employee's Department Head or his designee, prior to the travel. Overnight travel must be approved by the employee's department head prior to the travel. Department Head travel must be approved by the Mayor's office prior to the travel. City Council members travel must be approved by the Council prior to the travel. Throughout this policy, references to City employee would also apply to elected officials.

Travel Advance

An advance of funds may be obtained by completing the top portion of the Travel Expense Report, including travel purpose and dates, and submitting it to the Finance Department, at least three weeks prior to the day of travel. Advances are available from the Finance Office two weeks before the event. Upon return from travel, the employee must, within two weeks, complete the Travel Expense Report, attaching the necessary travel receipts approved by his Department Head,

or designee, and submit the Report to the Finance Department for further reimbursement, or return of unused funds. A valid receipt would include the vendor, date, time, and any other information necessary to permit verification of the receipt. Where valid receipts are missing, the employee may submit an affidavit in lieu of the receipts.

Meals (Alcoholic beverages are not reimbursable expenses.)

If an employee departs on City business two hours prior to, and returns two hours after a meal, the employee would be entitled to receive compensation for that meal. Tips are only reimbursable up to 15% of the food bill. For the purpose of this policy meal times are 8 a.m., 12 noon and 5 p.m. The maximum reimbursement amounts are as follows for the food bill:

| | |
|-----------|----------|
| Breakfast | \$ 8.00 |
| Lunch | \$ 10.00 |
| Dinner | \$ 22.00 |

An employee whose spending exceeds these amounts will not be compensated for the excess.

Travel Policy

If a City employee on official City business stays overnight, then that employee will receive \$40.00 per day for meals and no receipts are required; however, the day of travel to and from the destination must meet the 2 hour criteria to receive an allowance for that day, again, no receipts are required. Receipts from establishments within the City of Salisbury are not reimbursable if the trip took place outside of Salisbury. **If meals are included in the conference, meeting, or training session fee, then the City will not reimburse the employee for those meals.**

Lodging

Overnight lodging can be authorized when the meeting location is more than ninety (90) miles from the employees normal workplace. For any travel where air transportation is necessary, round-trip, coach-class tickets will be purchased. If the employee wishes to drive, they must obtain a quote from a travel agency for airfare. The lesser of the reimbursement for mileage and the quote for airfare will be reimbursed to the employee. Mileage to and from a conference is reimbursable, mileage while attending a conference is not.

The employee will make every effort to stay at a conference hotel to take advantage of conference hotel rates. If an employee wishes to stay at a non-conference hotel, they may do so, but they will only be reimbursed at the average conference rate, which must be verified by the conference staff.

Travel Expenses

The City will not reimburse an employee for personal phone calls, in room movies, room service or tips for baggage handling. An exception is that an employee is permitted two phone calls home. Miscellaneous expenses will be considered with proper justification.

The City will not pay for any expenses for the employee's spouse or children in connection with all travel and lodging unless specifically exempted from this policy by the Mayor and Council.

The rental of cars is subject to approval, in advance, by the department head, or the Mayor's office in the case of department head travel, or by the Council in the case of Council member travel. Employees may rent cars while on travel status when other means of transportation are unavailable, more costly, or impractical. The lowest cost vehicle necessary to achieve the necessary travel shall be rented.

In addition to the cost of the rental, the employee shall be reimbursed for necessary and reasonable expenses incurred for the following items:

1. Gasoline, oil and emergency repairs to the rental vehicle
2. Parking
3. Toll charges.

Travel Policy

Same Day Travel - General

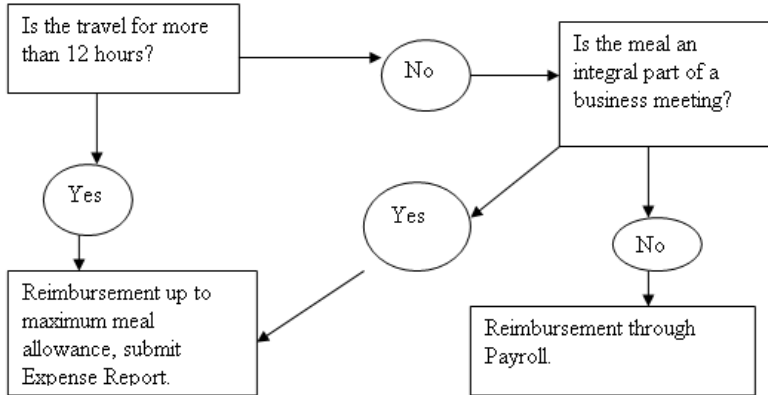
Employees whose travel is for less than 24 hours are encouraged to use a city vehicle provided by their department, or the Mayor's office. Otherwise, the City will reimburse that employee actual mileage times the current Federal reimbursement rate according to the IRS. Itemized receipts are required for expenses such as meals, tolls, parking, etc.

With the exception of taxable meals, same day travel should be accounted for on the Travel Expense Report.

Taxable Reimbursement

Meal reimbursement for same day travel is considered taxable income and will be included in the employee's pay. The only exception is if the meal is an integral part of the business meeting, in a clear business setting, and directly related to City business. See the following flow chart to determine if the meal is taxable. If it is not taxable, it should be accounted for on the Travel Expense Report together with any other expenses for the trip. If it is taxable, a separate Travel Expense

Report for the meal(s) should be completed and attached to the bi-weekly payroll report for the department.



When reimbursement for meal(s) is made to an employee through the City's payroll system, this money is subject to the employee's rate of IRS withholding, and at the end of the year will appear as wages on the employee's W-2, since the IRS does not consider the cost of these meals a deductible business expense.

Travel Expense Reporting

Advances for travel are available from the Finance Department two weeks before departure. Use the Travel Expense Report to request an advance. All advances must be accounted for within two weeks of return.

Rental cars must be approved by the Department Head, Mayor or Council in advance of the trip.

The City of Salisbury requires individuals to submit the following documentation to substantiate travel expenses.

- Air/Rail or other transportation type – Original Ticket/Receipt.
- Hotel – Original hotel bill is required for all lodging expenses.
- Car Rental - Original car rental agreement/payment receipt
- Miscellaneous travel expenses – Original receipt if more than \$5.00
- Business Meals - Original credit card receipt or cash receipt. Per diem meal allowance applies for overnight travel, no receipt required.

Same day travel meals, not provided as part of a conference, are considered an employee fringe benefit by the IRS and are taxable. Record these meal expenses on a separate Travel Expense Report, and check the box for payroll reimbursement. All other same day travel expenses will be reimbursed normally.

For overnight travel two personal telephone calls are reimbursable, one on arrival and one on departure.

An employee traveling on official City business is expected to exercise the same care incurring expenses as would a prudent person traveling for personal reasons.

| | |
|------------------|---------|
| Vendor # | _____ |
| Invoice # | _____ |
| Invoice Date: | _____ |
| Invoice Amount | _____ |
| To Be Paid \$ | _____ |
| Account # | _____ |
| | # _____ |
| Payment Approval | _____ |
| Date | _____ |

Name: _____

City of Salisbury
Travel Expense Report

Department: _____

Purpose of Trip: _____

Meeting Date(s): _____ Date Advance Needed: _____

Location: _____ Department Head Advance Approval: _____

Advance Requested: \$ _____ Department Head Expense Approval: _____

| <u>Date</u> | <u>Departed From/ Arrived At</u> | <u>Time</u> | <u>Auto Miles</u> | <u>\$</u> | <u>Air Rail</u> | <u>Car Rental</u> | <u>Taxi, Parking Tolls, Etc.</u> | <u>Lodging</u> | <u>Meals or Per Diem</u> | <u>Misc Expenses Description</u> | <u>\$</u> | <u>Daily Totals</u> |
|-------------|--------------------------------------|-------------|-----------------------|-----------|---------------------|-----------------------|--------------------------------------|----------------|------------------------------|--------------------------------------|-----------|-------------------------|
| | | | | | | | | | | | | |

Taxable Travel - Meals Only Check Here and Submit With Department Payroll

Notes:

| | |
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| TOTAL TRAVEL EXPENSE | |
| LESS: Travel Advance | |
| Total Due To (Owed By) Employee | |

Be sure to attach receipts for all expenditures
 Attach personal check if advance exceeds expenses; or cash can be turned in at Finance Department
 2005 Mileage Reimbursement Rate is \$0.40½ /mile

