



**CITY OF VERNON  
EXPENSE REIMBURSEMENT  
POLICY**

**ADMINISTRATIVE POLICY MANUAL**

Section 1.3 – Miscellaneous

Approval:

  
City Administrator

**Effective Date: December 17, 2013**

**Responsible Department: Finance**

## Introduction

The City of Vernon takes its stewardship over the use of its limited public resources seriously. Public resources should only be used when there is a substantial benefit to the City.

Such benefits include:

- The opportunity to discuss the community's concerns with state and federal officials;
- Participating in regional, state and national organizations whose activities affect the City;
- Attending educational seminars designed to improve officials' skill and information levels;
- Promoting public service and morale by recognizing such service; and
- Promoting the City's interest in attracting or retaining businesses.

This policy is intended to:

- Provide guidance to elected and appointed officials on the use and expenditure of City resources and the standards against which those expenditures will be measured.
- Supplement the definition of "actual and necessary" expenses for purposes of federal and state laws relating to permissible uses of public resources and for purposes of income tax laws.
- Satisfy the requirements of Government Code sections 53232.2 and 53232.3 if such requirements could be constitutionally applied to charter cities.
- Apply to any charges made to a City credit card, cash advances or other line of credit.

## I) General Policies

- a) Definitions. For purposes of this policy, and for ease of reference, unless context requires otherwise, the following definitions apply:
- i) "City Board Members" means any member of a legislative body of the City. This includes Councilmembers, members of the Housing Commission, and all other boards and commissions of the City.
  - ii) "Department Head." For the purposes of reporting and approvals under this policy, "Department Head" shall include: the City Administrator, and every City employee directly reporting to the City Administrator that has other employee(s) reporting directly to him or her. The City Administrator and City Attorney shall comply with this policy in every manner required of a Department Head. City Board Members are

directly to him or her. The City Administrator and City Attorney shall comply with this policy in every manner required of a Department Head. City Board Members are to obtain reimbursement approvals through the City Administrator, as if the City Administrator were the Department Head for the individual City Board Members.

- b) Authorized Expenses. City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized City business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:
  - i) Government Meetings. Meeting with representatives of local, regional, state and national government on City related issues;
  - ii) Seminars. Attending educational seminars and courses designed to improve individuals' skill and information levels as related to their job duties;
  - iii) Organizations. Participating in local, regional, state and national organizations whose activities affect the City of Vernon;
  - iv) City Events. Attending City of Vernon sponsored events;
  - v) Promoting Vernon. Promoting the City of Vernon's interest in attracting or retaining businesses.
- c) Expenses Requiring City Council Approval. The following expenses require prior approval of the City Council:
  - i) International Travel. Attending international conferences, seminars, and official meetings, to promote the City's interests.
  - ii) Expenditures on alcohol that are not part of an authorized per diem payment.
  - iii) All expenses that do not fall within this policy.
- d) Non-Reimbursable Expenses. The City will not reimburse any expense that is of a personal nature that does not substantially benefit the City, including the following:
  - i) Personal. The personal portion of any trip. Expenses relating to children or pets.
  - ii) Political/Charitable Contributions. Political or charitable contributions or events.
  - iii) Co-travelers. Family expenses including a partner's expenses when accompanying the official on City-related business, or any simultaneous but unauthorized travel of a spouse, fellow employee or other companion. Such expenses may be incurred as part of a reasonable accommodation pursuant to the Americans with Disabilities Act.

- iv) Entertainment. Personal entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events. However, those entertainment expenses that are described in Section XVII of this policy may be reimbursed.
  - v) Expenses of Third Parties. Except as authorized by Section XVII of this policy, only City Board Members and employees of the City may receive reimbursement. For example, unless authorized by Section XVII, the City will not reimburse meals provided to constituents, legislators and private business owners, even if the expenses are incurred in relation to meetings held to discuss legislation or other matters of benefit to the City.
  - vi) Personal Automobile. Non-mileage “personal” automobile expenses, including repairs, traffic citations, insurance or gasoline. Expenses relating to rental automobiles do not constitute “personal” automobile expenses because rental cars are not personally owned or leased – rental car expenses may be reimbursed as further described in this policy.
  - vii) Personal losses. Personal losses incurred while on City business.
  - viii) Violations of Law. Penalties incurred for any violation of law, including any vehicular ticket, parking ticket, or other penalty or fine.
- e) Documentation to Request Reimbursement.
- i) Form Required. Requests for reimbursement must be made to the Finance Department on a form approved by the Finance Director.
  - ii) General Rule: Receipts Required. In general, the request for reimbursement must be accompanied by receipts documenting the incurred costs. Credit Card receipts are generally acceptable. Original receipts are required for all of the following:
    - (1) Conferences and Seminars
    - (2) Lodging
    - (3) Rental Cars
    - (4) Parking and Tolls
    - (5) Other Transportation
    - (6) Other Purchases
  - iii) Exceptions: When Receipts Not Required. Original receipts are not required for
    - (1) Telephone bills for use of personal telephones, such as cell phones. Copies of the applicable charge sheets may be substituted.

- (2) If an original receipt has been lost, or a receipt cannot be issued for the incurred cost, the officer or employee may submit a declaration on a form authorized by the Finance Director seeking approval of the affected expense.
- iv) Public Records. All documents related to reimbursable City expenditures are public records subject to disclosure under the California Public Records Act (Cal. Gov't Code § 6250 *et seq.*).
- f) Time to Request Reimbursement. Requests for reimbursement should be made within 30 days of the date the expense is incurred, absent extenuating circumstances. In no event will the City reimburse any incurred expense unless the request for reimbursement and all necessary documentation is provided to the Finance Department within 365 days of the date the expense was incurred.
- g) Costs Must Be Actual and Necessary. The City will reimburse only actual and necessary expenses, as further explained in this policy. If incurred expenses are excessive, but otherwise meet the policy requirements, they shall be reimbursed only to the extent such costs were necessary. Any questions regarding the propriety of a particular type of expense should be resolved by the Department Head before the expense is incurred.
- h) City Administrator's Decisions Generally Final. If the City Administrator declines a request from an individual City Board Member to authorize a particular expense, or declines to approve a requested advance, then the City Administrator's determination is final. The City Council itself may, of course, approve an expense or advance even if the City Administrator previously denied the request.
- i) City Board Member Reports on Meeting Expenses. City Board Members who engage in long distance or overnight travel to attend meeting(s) are encouraged to ensure that a brief report on their attendance at the meeting(s) is made at the next regular meeting of the body of which they are a member following the meeting.
- j) Police Training Reimbursement. The Vernon Police Department participates in California Peace Officer Standards and Training (POST) and Standards and Training for Corrections (STC) Programs which reimburses the City according to their program guidelines. Police Department employees requesting POST or STC reimbursement will follow those program guidelines.
- k) Workers Compensation. City will continue to provide worker's compensation coverage to authorized travelers while away from home on City business.

## II) Definition of Travel

For purposes of this policy, the word "travel" means activities of individuals in connection with authorized attendance at conferences, meetings and other work related activities, either formal or informal, which take place at any location other than City-owned or operated facilities, including necessary transportation thereto and therefrom. Travel is further defined as local, or long distance as provided below. Travel may be overnight or non-overnight:

- a) Local Travel – Travel performed within the six Southern California Association of Governments (SCAG) counties (Imperial, Los Angeles, Orange, Riverside, Ventura, San Bernardino), San Diego County and any location within 12 miles of and including the City of Santa Barbara.
- b) Long Distance Travel – Travel involving a location outside SCAG, San Diego County and the area within 12 miles of and including the City of Santa Barbara.
- c) Overnight Travel – Overnight travel is travel involving an overnight stay that is reasonably necessary to facilitate the purpose of the travel.

## III) General Transportation Rules

- a) Vehicular Travel Preferred. The normal mode of transportation for local travel shall be automobile, via either a City-owned or personal vehicle. All cost saving options should be considered, balanced with the need for efficiency.
- b) Use Group Rates, When Available. When available, government and group rates offered by a provider of transportation shall be used.
- c) Long Distance Driving in Lieu of Air Transport. If approved by a Department Head, travelers may also be authorized to use a City or personal vehicle in lieu of air transportation. When a personal vehicle is used, the reimbursement is the lesser of (1) the actual round trip miles using the IRS standard mileage rate, or (2) the cost of a round trip coach air fare ticket plus any expected rental car, toll, and gasoline costs, taxi/shuttle costs, or other similar costs.
- d) Vehicular Accident. If City Board Member or employee is in a vehicular accident involving the individual's personal vehicle while on City business, the City Board Member or employee must notify his or her Department Head within 2 business days of the accident. If a City owned vehicle is involved an accident, the Department Head must be immediately notified of the accident.

#### IV) Automobile Mileage Reimbursement

a) Mileage.

- i) General Rule. In general, if a person is required to use his/her own automobile on City business for travel, the person shall be reimbursed miles traveled, as defined in subsection b of this section IV, at the standard mileage rates established by the Internal Revenue Service.
- ii) Auto Allowance & Mileage. If a person receives an automobile allowance, that person may not be reimbursed for local travel unless approved by the City Administrator. If a person receives an auto allowance, full mileage reimbursement may be authorized for that portion of travel which is long distance travel.

b) Mileage Calculation.

- i) Driving on a Work Day. If driving is required on a day the individual is required to report to work (or would otherwise be required to report to work), then mileage is reimbursable only to the extent the total miles driven exceeds the total miles that would otherwise have been driven but for the travel.

Example #1: Mid-Day Driving from City Hall. Assume a person reports for duty to City Hall as required, drives 5 miles to attend a work related lunch event, drives 5 miles back to City Hall, and then drives home. Ten (10) miles of travel is reimbursable.

Example #2: Driving Directly to Destination. Assume a person lives 10 miles from City Hall, and City Hall is his place of work. Work requires him to drive directly to a meeting 7 miles from his home, and to thereafter drive the 12 miles to City Hall. At the end of the day, he drives the 10 miles back to his home. The employee traveled a total of 29 miles. Because his normal round-trip commute is 20 miles, 9 miles are reimbursable.

- ii) Driving on a Non-Work Day. If driving is required on a day the individual would not otherwise be required to work, then all miles driven are reimbursable.
- c) Long Distance Driving. Where long distance travel is required, the Department Head may permit those reporting to him or her to obtain automobile reimbursements at standard rates where, in the opinion of such Department Head, the reimbursement would benefit the City. Department Heads are encouraged to consider whether it is more cost effective to use an existing City fleet vehicle.
- d) Proof of Mileage Calculation. Where travel is authorized, the claimant shall submit the expense reimbursement form as prescribed by the Finance Director, or his or her designee, including mileage calculations verified with Google maps, MapQuest or

another similar mileage tracker. The mileage calculation shall constitute the receipt demonstrating the mileage traveled.

- e) Mileage Calculations. Mileage traveled on official City business shall be recorded at the completion of each trip. Mileage driven on personal business shall be excluded from the calculation of mileage submitted for reimbursement. Each request for reimbursement shall include the date and mileage of each individual trip.
- f) Personal Auto Insurance Requirements. All employees requesting mileage reimbursement for use of their personal vehicle on City-related business must continuously maintain the state mandated limits for vehicle insurance and maintain insurance in full compliance with City policy, and may be required to show proof of insurance upon request. Additional accident or other insurance, if desired, must be provided by the employee.
- g) Pool Car. The City has pool cars that are often available for use as an alternate means to provide transportation. The City encourages the use of these vehicles when doing so is cost effective and they are available. If a pool vehicle is used, then no mileage reimbursement is authorized, although reimbursement for gasoline with receipts is allowed.

#### **V) Tolls**

The City will reimburse reasonable road and bridge tolls necessarily and reasonably incurred.

#### **VI) Taxis & Shuttles**

Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for reasonable time efficiency concerns.

#### **VII) Parking**

The City will reimburse parking costs in a standard parking lot, or at meters. Valet or other privileged parking costs will not be reimbursed where less expensive options are reasonably available.

#### **VIII) Air Travel**

- a) Economical Travel Required. For long distance travel, air travel at coach rates shall be utilized where available and practical; in the absence of reasonably convenient or cost effective air service, another mode of transportation may be authorized. If air travel is utilized, if it would save costs, round trip tickets should be purchased. Purchases should be made in advance to take advantage of reduced rates.
- b) Limits on Costs. Group rates for transportation shall be used whenever available and cost effective. Airfares that are equal or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities

([www.cacities.org/travel](http://www.cacities.org/travel)), are presumed to be reasonable, as are rates less than or equal to rates offered through widely used travel aggregation websites such as Expedia.com, and Travelocity.com.

**IX) Rental Automobiles**

- a) Rental Car Reimbursement. If cost effective, the City will pay for rental cars, as appropriate.
- b) Insurance from Rental Car Company. If a car is rented, the employee should purchase full insurance coverage from the rental car company.
- c) No Mileage for Rental Cars. If a rental car is driven, the City will reimburse the actual cost of gasoline for the rental car, and will not reimburse mileage at the IRS mileage rates.

**X) Conference Reimbursement**

An employee or City Board Member may be authorized by the City Administrator, Department Head or City Council to attend any conference or meeting of any association or informal group at or in which representation or participation will benefit the City. Related expenses shall be reimbursed according to this policy. City employees and City Board Members may utilize City vehicles to attend such local events.

**XI) Reimbursement for City Provided Home Internet Connections**

- a) Internet Connection Reimbursement. To ensure that Vernon residents who are City Board Members can access the City's computer network from their homes, the City will reimburse the actual and necessary costs for City Board Members to obtain and maintain home internet connections.
- b) Reimbursement Procedure for Vernon Residential Internet Service. If the City Board Member receives his or her internet connection via the Vernon Residential Internet Access Service, then the amount of the reimbursement shall be the full amount that residents who are not City Board Members are charged for similar access and equipment, including any one-time setup fees. To receive reimbursement, the City Board Member must (i) submit to the Finance Department a completed reimbursement request on a form authorized by the Finance Director; and (ii) be up to date on all payments required to have been paid to the City's Light & Power Department. The Finance Department will process requests for reimbursement once per quarter. When the Light & Power Department already has copies of the relevant bills, the requests for reimbursement need not attach receipts evidencing the City Board Member's expenses.
- c) Internet Connections not Via City. If a City Board Member receives his or her internet connection other than via the Vernon Residential Internet Access Service, the City will reimburse the actual costs borne by the City Board Member for the actual costs, up to an amount not exceeding the amount the City Board Member could obtain if the access was



provided via the Vernon Residential Internet Access Service.<sup>1</sup> To obtain reimbursement, the City Board Member must provide copies of the actual receipts. Any such reimbursement requests will be processed on the same quarterly schedule as reimbursement requests via the Vernon Residential Internet Access Service.

## **XII) Meals and Incidentals for Overnight Travel**

- a) Reimbursement at IRS Rates. Meals and Incidentals (M&I) for overnight travel are reimbursed pursuant to the lowest IRS standard rates. Each year the City's maximum M&I rates are automatically revised via this policy to coincide with the lowest IRS standard rates. For example, in calendar year 2013, the M&I rate for a full day of overnight travel is \$46.00. When following the IRS rates, no receipts need to be submitted.
- b) Exception #1: Food Provided by Conference. If a meal is provided as part of a conference, training, etc., the related M&I rate for each provided meal must be deducted from the City's maximum M&I reimbursement for each such meal made available, in the amounts consistent with the applicable M&I rate. For example, in 2013, the following are the rates that must be deducted for each meal provided when it is not the first or last day of overnight travel:
- Breakfast: \$7.00
  - Lunch: \$11.00
  - Dinner: \$23.00<sup>2</sup>
- c) Exception #2: First or Last Day of Travel. If it is the first or last day of travel, the maximum permissible reimbursement is  $\frac{3}{4}$  of the total maximum M&I rate, and the amounts deducted for breakfast, lunch and dinner are  $\frac{3}{4}$  of the amounts listed in Exception #1, above. Therefore, if no meals are provided at the conference and the M&I rate is \$46.00, then \$34.50 may be reimbursed and the following are the rates that must be deducted for each meal provided when it is the first or last day of overnight travel:
- Breakfast: \$5.25
  - Lunch: \$8.25
  - Dinner: \$17.25<sup>3</sup>

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<sup>1</sup> On August 20, 2013, the City Council established the following rates for the residential internet services City-wide: \$40.65 per month plus a \$100 set up fee.

<sup>2</sup> The maximum \$46.00 rate includes payment of incidentals at the rate of \$5.00 per day.

<sup>3</sup> The maximum \$34.50 rate includes payment of incidentals at the rate of \$3.75 per day.

### **XIII) Lodging**

- a) Reasonably Priced Accommodations Required. City Board Members and employees should choose reasonably priced accommodations, based on the location of the business meeting or conference. Government rates should be selected when they are available and if they would lead to cost savings for the City.
- b) Examples of Permissible Costs. A listing of hotels offering government rates in different areas is available at <http://www.catravelmart.com/lodguideframes.htm>. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence reimbursable for purposes of this policy. If government rates are not available at a given time or in a given area, lodging rates that do not exceed the IRS per diem rates for a given area are presumed reasonable and hence reimbursable.
- c) Amount of Reimbursement. The City will reimburse the actual rates paid, including occupancy taxes, for single accommodations on those nights which the traveler must spend away from home on official City business. However, the City will reimburse no more than the highest of the following rates: (i) if the lodging is in connection with a conference or organized educational activity, the maximum group rate published by the conference or activity sponsor; (ii) if government rates are available, the government rate; (iii) if government rates are not available at a given time or in a given area, lodging rates that do not exceed the IRS per diem rates for a given area.
- d) Lodging Receipts. Receipted copies of an itemized hotel bill must be submitted to secure reimbursement. When the hotel bill is double occupancy (as when the traveler is accompanied by a spouse), the equivalent single-occupancy rate must be stated.

### **XIV) Miscellaneous Reimbursements**

The following travel related expenses are reimbursable when accompanied by the receipts:

- Baggage fees. Fees charged by airlines for checking luggage on airplanes and similar fees may be reimbursed.
- Telephone usage for City business purposes based on the reasonable costs of such calls. Mobile phones are often more cost-effective than using hotel phones directly. Receiving collect calls should be avoided. Personal telephone calls are not reimbursed.
- Internet Connections While Traveling. The City will pay for the reasonable costs for internet connections while traveling if the internet connections are used *solely* for business purposes.

## **XV) Direct Payments by the City Preferred**

Whenever possible, payments for airline tickets, conference registrations and hotel deposits should be made directly to the vendor by City check or City credit card, to minimize the need for cash advances and to reduce exposure to possible duplicate payments.

## **XVI) Advances**

- a) Request for Cash Advances. From time to time, it may be necessary for an employee to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the Finance Director on a form approved by the Finance Director. That form shall require, at a minimum, that the following information be provided:
  - The purpose of the expenditure(s);
  - The benefits of such expenditure to the City;
  - The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
  - The dates of the expenditure(s).
- b) City Administrator Approval. If the requested advance exceeds the per diem amount authorized by this policy, or if Finance Director is uncertain as to whether a request complies with this policy or the purposes of the policy, such individual must obtain approval from the City Administrator before the Finance Director may make the requested cash advance. Except that in no event shall the City Administrator authorize any advance in excess of \$1,000 unless the City Council is notified at its next City Council meeting of the amount of the advance, and the justification for the advance.
- c) Timing of Request for Advance. Individuals requesting an advance are encouraged to request the advance at least two weeks before the advance is needed, in case City Administrator approval is required.
- d) Unused Cash Advance. Any unused advance must be returned to the City within 30 days of the employee's return, along with an expense report and any receipts documenting how the advance was used in compliance with this expense policy. Failure to timely repay unused funds to the City may constitute a violation of Penal Code § 424, which prohibits unlawful use of public funds for personal benefit.

## **XVII) Hosting Events**

- a) Hosting Non Vernon-Individuals. Payment of any expenses for hosting of non-City officers or non-employees is generally not done on an individualized, reimbursement basis, but rather as a departmental expense. This type of expense is to be approved by the City Administrator in advance. When a City officer or employee entertains on behalf of the City, the entertainment activity must be directly related to City business and should not personally benefit the host or other officers or employees.

- b) Host to official guest(s) of the City. The cost of light refreshments or meals incurred when acting as a host to official guests of the City can be reimbursed. Examples of such guests include:
- i) Visitors from other governments, government agencies or organizations;
  - ii) Members of the community for official meetings;
  - iii) Prospective employees; and
  - iv) Meetings of an organization of which the City is a member or for which the City sponsors membership of an officer or employee, such as the League of California Cities.
- c) Receptions/Luncheons. The cost of light refreshments and food served as part of a reception or luncheon. Receptions may be held in conjunction with conferences (receptions that are not included in the registration fee), meetings of an organization of which the City is a member or for which the City sponsors membership of an officer or employees; employee recognition; length-of-service awards or retirement presentations; employee, staff, or volunteer picnics; rotation of officers.
- d) Parties for Employees. Employee birthdays, weddings, anniversaries, or farewell gatherings (other than reasonable retirement expenses authorized in advance by the City Administrator) are not reimbursable expenses.
- e) Third Party Meals Prohibited. Except as expressly authorized in this policy, the City will not reimburse expenses incurred purchasing meals for third parties, such as constituents, legislators and private business owners, even if the expenses are incurred in relation to meetings held to discuss legislation or other matters of benefit to the City.

### **XVIII) Penalties for Misuse of Public Resources**

Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies include<sup>4</sup>:

- Loss of reimbursement privileges;
- Restitution to the City;
- Civil penalties of up to \$1,000 per day and three times the value of the resource used<sup>5</sup>;
- and
- Criminal prosecution and a lifetime bar from public office<sup>6</sup>

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<sup>4</sup> See Cal. Gov't Code § 53232.4

<sup>5</sup> See Cal. Gov't Code § 8314.

<sup>6</sup> See Cal. Penal Code § 424.