

TRAVEL EXPENSE POLICY

I. PURPOSE

This guideline details the policies and procedures for determining the eligibility of allowable business travel expenses incurred by City Employees (Travelers) during official business travel. It outlines how travel funds are disbursed and how necessary and reasonable out-of-pocket expenses can be reimbursed.

Travelers are expected to exercise good judgment when requesting, arranging, and seeking reimbursement for business trips. The key principle to follow is to ensure responsible management of public funds and the City's resources.

II. RESPONSIBILITY

The authority for establishing rules for allowable mileage rates, per diem costs for food and lodging, and other travel expenses resides with the City Manager.

The Chief Financial Officer (CFO) is responsible for interpreting this Travel Expense Policy and for developing, revising, and publishing the procedures necessary for its implementation.

The Accounts Payable Division of the Finance Department will ensure compliance with the procedures outlined in this policy. Standard audit practices will be utilized to assess adherence among City Departments.

Department Directors must approve travel expenses and are responsible for communicating these procedures to all employees in their departments. They

must also ensure that there is a sufficient budget allocated to the appropriate travel line item to cover costs. Additionally, they must verify that any conference or meeting attended is essential for achieving City goals and objectives.

Department Travel Representatives, those individuals who have designated responsibility within a department by the Department Director for arranging and booking travel for staff within a department and preparing travel authorization and final travel reconciliation forms, are tasked with verifying and submitting all Travel Forms, including the Travel Advance Request and the Travel Expense Report, along with the necessary receipts and requests for reimbursement to the Finance Department.

Each Traveler is responsible for understanding and adhering to this policy. Any unusual circumstances or exceptions must be clarified in advance, and any deviations require written approval from the CFO. Travelers must submit reimbursement requests promptly, along with the required documentation.

Please note that expenses for meals or lodging are not permitted for conferences and meetings held within the Little Rock city limits.

Important: The terms “reimburse” and “reimbursement” in this policy refer to the necessity of providing detailed documentation with the Travel Expense Report.

III. POLICY

To ensure that employees have maximum flexibility in completing their assigned tasks, the City of Little Rock will reimburse travel expenses directly related to official business, as outlined below. The procedures contained herein pertain to travel by all City employees regardless of whether the travel funds used are provided by the City, grants, or any other funding source. All travel expenses for the Traveler must be approved in advance by his or her Department Director or a designated representative. For Department Directors, travel expenses must receive approval from the City Manager or Mayor.

IV. PROCEDURES

A. Planning an Official Trip

1. General Requirements

- a. Travel request forms shall be preapproved and signed by the Department Director and, if grant funds are being used for the travel, the Grants Manager or designee before the forms are submitted to the Accounts Payable Office.

Department Directors shall authorize responsible department officials able to sign on their behalf and approve travel reports by completing the Designee Authorization Form maintained by the Accounts Payable Office. Signatures on this form will be verified by the Accounts Payable staff when processing travel claims.

For departments with a department travel representative, the Traveler must work with the Department Travel Representative to make travel arrangements.

- b. Reimbursement for required travel and conference or meeting is authorized only when there is an existing unobligated balance in the appropriate account.
- c. All airline tickets, conference or meeting registration, and hotel reservations must be purchased using the City's procurement card (P-card). **No personal credit cards may be used.**
- d. Travel advances can only be granted for amounts up to the per diem allowances and estimated mileage (if applicable).
- e. The standard mode for out-of-state travel is by basic economy commercial airline. Exceptions include travel via personal automobile, City vehicle, bus or rail. The maximum amount of reimbursement for a traveler would be the lesser of basic economy commercial airline tickets

or the method elected by the traveler which must be documented at the time other travel accommodations and registration are made. Failure to do this will result in no reimbursement for the traveler. Any deviation from the standard requires pre-approval from the Department Director and must be accompanied by an explanation for granting the exception.

- f. The standard mode for in-state travel is by City-issued vehicle. Exceptions include travel via personal automobile. Any deviation from the standard requires pre-approval from the Department Director and must be accompanied by an explanation for granting the exception.
- g. It is expected that the Traveler will arrive on the day the official business starts or as soon as practical and will return immediately on the day the official business concludes or as soon as practical.

2. Registration

- a. The City may reimburse registration for City-related conferences and meetings. Meals included in the cost of registration will not be reimbursed to the Traveler except for continental breakfasts or special dietary needs. All exceptions must be documented in the preapproved expense report and approved by the Department Director.

3. Accommodations

- a. The City will pay for a single-room rate (including taxes and parking) for a standard room, the most basic type of accommodation offered. It is expected that the Traveler will arrive on the day the official business starts and will return immediately on the day the official business concludes. Travelers should book lodging using the City's P-card.
 - i. Exception. Lodging costs for additional nights are not eligible for reimbursement, except if pre-approved due to the following circumstances:

- (A) If the conference or meeting begins before 9:00 a.m. and it would constitute a hardship for the Traveler to travel and arrive in time for the conference or meeting; or
- (B) When the Traveler stays an additional night because the conference or meeting ends too late.
- (C) Extraordinary cases such as weather events, flight cancellations, government shutdowns, etc. will be addressed on an individual basis with final approval required by the Chief Financial Officer.

b. Reimbursement for lodging shall be based on the U.S. General Services Administration (GSA) per diem rates or the rates for Host Hotels during conferences and meetings. These rates are set by fiscal year and take effect on October 1st each year. Current rates can be found on the GSA website. Any lodging exceeding the GSA rates and not associated with a Host Hotel for a conference or meeting must receive approval from the Mayor or the City Manager prior to travelling. In the rare instance a conference or meeting is held in Alaska, Hawaii, or U.S. Territories, the rates are set by the Department of Defense and can be found on the Department of Defense website.

c. For international travel, all requests must receive either Mayor or City Manager approval prior to booking anything related to the travel. Failure to obtain prior approval to booking anything related to the trip will result in a violation of this policy and the Traveler will be responsible for all costs. Rates for international locations are set by the U.S. Department of State and can be located on the U.S. Department of State website.

d. Additional charges for room upgrade or roll-away beds are not reimbursable.

- e. If several Travelers attend the same conference or training, the use of Airbnb or similar rentals are allowable if the cost to the City would be less than staying in a hotel. This must be demonstrated prior to booking and must be approved by the Department Director.

4. Transportation

- a. Transportation to the Clinton Airport
 - i. Public Transportation. Fares for taxis and rideshare services like Uber or Lyft are allowable. If travel occurs during the Traveler's regular work hours, the fare is paid for travel from City Hall or from the traveler's primary work location. If travel is on a non-regularly scheduled workday or outside of regular work hours, the fare is paid from the Traveler's home of record.
 - ii. Personal Vehicle. If a personal car is used, mileage and airport parking costs (when less expensive than ground transportation) may be claimed.
 - iii. Airport Parking. Travelers must use the lowest-priced economy parking lot. The current rates for such lots can be found at www.clintonairport.com. The City's P-card should be used to pay for airport parking. If a traveler does not have a city issued P-Card or the department does not have a travel P-Card, the traveler may request reimbursement for the airport parking.
 - iv. Mileage Reimbursement. If travel occurs during the Traveler's regular work hours, mileage is paid from City Hall or the Traveler's primary work location to the airport and back. If travel is on a non-regularly scheduled workday or outside of regular work hours, round-trip mileage from the Traveler's home of record is authorized.

If a Traveler plans to be dropped off or picked up at the airport, round-trip mileage for both drop-off and pick-up is authorized.

When two (2) or more Travelers from the same department attend the same conference or meeting, and choose to drive separate vehicles to the airport, written preapproval from the Department Director is required to utilize and receive reimbursement for multiple vehicles.

- b. Air Travel. All air travel for City business must be booked in the basic economy class. All air travel reservations must be made at least thirty (30) days prior to the conference start date. When making reservations, the Traveler must compare different airline carriers to ensure that the City receives the most competitive rates. The City will pay for the actual cost of the economy class seat. Please note that ticket transfers are not permitted. According to FAA regulations, tickets must be issued in the traveling employee's full legal name. If premium economy seating is necessary to support an Americans with Disabilities Accommodation (ADA), the Department Director must approve this exception.
 - i. Baggage Fees. Standard baggage fees can be paid at the time of travel using the City's P-card. However, the City will not cover overweight baggage fees. Reimbursement is limited to one (1) checked bag per trip. If a Traveler is required to take baggage that exceeds the weight limits of the airline or more than one (1) bag, the Department Director must preapprove the charge.
 - ii. Trip or Travel Insurance. The purchase of trip or travel insurance may be purchased with the Department Director's prior approval. The purchase of trip or travel insurance should be limited in its occurrence, and the necessity should be assessed based on whether Traveler or trip insurance is required.
 - iii. Additional Expenses. Any add-ons, upgrades, or expenses such as in-flight movies, television, meals, or beverages should not be purchased with the City's P-card and will not be reimbursed. However, elected officials, department directors, and division

mid-managers may purchase in-flight Wi-Fi to conduct City business while traveling.

Transportation at Destination Site. Taxi or rideshare services are reimbursable for all necessary City business-related trips. Travelers must select the lowest-cost ride or car class available. If the trip is to a location other than the airport, conference center, or hotel (for example when the hotel does not contain a food establishment and there is not any such establishment within a two (2)-block radius of the hotel), such transportation services are permitted; however, written authorization from the Department Director must accompany the receipts. note that tips must be paid out of pocket.

- (A) All costs must be reasonable as taxpayer funds are being used. Unreasonable costs will be audited for fraud, waste, and abuse by the Accounts Payable Division and shall be submitted for review to the Chief Financial Officer and the City Manager, who will determine in their sole discretion which costs are unreasonable. Unreasonable costs may result in the Traveler or his or her Department Director being responsible for said unreasonable costs. **Parking.** Reimbursable parking is limited to the lowest daily parking rate at the destination hotel or conference site. Valet parking and other types of parking will not be permitted.
- (B) **Tolls.** The City's P-card may be used to pay for toll roads or Travelers can request reimbursement. The use of toll roads must be pre-approved by the Department Director.
- (C) Exceptions may be made for pre-approved P-card purchases. In the event of an emergency or unforeseen difficulty, P-Card purchases may be approved post-purchase at the sole

discretion of the CFO. Documentation evidencing the need for such a purchase must be submitted to the CFO within ten (10) days after the Travel returns.

- c. City-issued Vehicles. Fuel expenses for City-issued vehicles can be charged to the City's P-card or reimbursed. If vehicle is for use outside the City limits, written justification from the Fleet Services Department Director is needed. Note that due to liability concerns, non-City employees or officials (family and guests) are prohibited from traveling in City-issued vehicles.
- d. Personal Vehicle. If a City vehicle is unavailable or the Traveler prefers to use his or her personal vehicle, preapproval is needed by the Department Director.
 - i. Mileage reimbursement. The mileage reimbursement will not exceed the cost of the lowest basic economy class airfare available at the time of the travel request. Documentation must be provided to support this at the time that all other travel receives approval. Failure to submit the required documentation will disqualify the request for reimbursement. Reimbursement is available at the current approved IRS per-mile rate. Google Maps or another mapping website must be used to determine the mileage for reimbursement, and the information must be printed off and included with any reimbursement request. The mileage reimbursement covers travel to and from the lodging establishment and the conference center or meeting location. The City will not pay for non-business-related mileage, such as personal stops or detours taken for personal reasons.
- e. Rental Vehicle. Rental vehicles may be booked using the City's P-card, or Travelers can be reimbursed for their expenses. However, reimbursement for rental vehicles used for official City travel requires written approval from the appropriate Department Director. Additionally,

written justification for renting vehicles, along with cost estimates for the rental and collision insurance, must accompany the Travel Request forms. The total cost of the rental, including fuel and parking, must be lower than other options. The actual costs for mid-sized or smaller vehicles rented from recognized car rental agencies (such as Avis, Hertz, National, Budget, Dollar, etc.) are reimbursable. If more than four (4) employees are traveling to the same destination, reimbursement for the actual costs of renting a larger vehicle will be allowed. Family and guests are prohibited from traveling in City-rented vehicles due to liability concerns.

5. Meals and Incidental Expenses

- a. The City uses a per diem allowance to cover all charges, including service charges where applicable for:
 - i. Meal expenses for breakfast, lunch, dinner, and related taxes; and
 - ii. Incidental expenses, such as fees and tips given to wait staff, baggage carriers, and maids.
- b. Travelers are subject to federal per diem amounts categorized as the Meals & Incidental Expenses Rate (M&IE Rate). Incidental expenses of \$5.00 per day will be included in the incidental expenses line on the Travel Advance/Expense forms. Travelers must visit GSA.gov/travel to determine the allowance based on the date and location of their travel.
- c. The meal per diem may be advanced or the Traveler may seek reimbursement.
- d. The per diem is limited to a maximum of one (1) additional day of travel to and from the destination city based on reasonable airfare departure and travel times within the best interest of the City, not the Traveler. On the first and last day of travel, M&IE will be reimbursed at 75% of the GSA M&IE rate (the rate on the GSA website includes \$5.00 per day for incidental expenses).

- e. The total amount charged for M&IE cannot exceed the GSA per diem rate per day, per employee.
 - i. Any meal costs above the approved per diem rates will be the Traveler's responsibility.
 - ii. If a meal is provided by the event attended, the allowance for that meal will not be paid unless the Department Director provides prior written approval. (Note: Continental breakfasts are not considered a full breakfast, so the standard breakfast allowance will still be paid.)
 - iii. Exceptions to this policy will be made for employees with dietary restrictions. Information regarding these restrictions must be provided with travel forms for preapproval to eat outside of meals provided by conferences or training if the conference or training is unable to accommodate the Traveler.
- f. On travel days Travelers must meet the following conditions to be eligible for per diem meal reimbursement:
 - i. A breakfast allowance is not provided for travel with an initial departure time after 8:00 a.m.
 - ii. A lunch allowance is not provided for travel with an initial departure time after 12:00 p.m.
 - iii. A dinner allowance is not provided for travel with an initial departure time after 7:00 p.m.
- g. **The City will not reimburse costs for alcoholic beverages. There are no exceptions.**
- h. Department Directors may establish policies regarding meals for local day trips. There is no lunch allowance for travel within the Little Rock-North Little Rock-Conway Metropolitan Statistical Area.

6. Personal Travel in conjunction with Business Travel

- a. Travelers may request to combine personal travel with business travel for their convenience beyond the approved travel dates. The City will only pay for the allowable travel expenses associated with the business portion of the travel. Only the actual City travel dates and times will be considered when calculating allowable travel expenses. Personal travel days must be clearly designated when submitting travel documentation.
- b. To demonstrate that no additional expense was included for air fares or car rental for the personal portion of the trip:
 - i. A cost comparison for transportation of the business travel versus the combined business and personal travel must be provided at the time of booking.
 - ii. If the extended trip results in a higher cost, the Traveler must seek reimbursement for only the business portion of the booking.
 - iii. If the Traveler purchases an airline ticket or rental car with personal funds and fails to provide a cost comparison when requesting reimbursement, the City will only reimburse 50% of the employee's portion of the expense.
 - iv. The City will not pay for any personal expenses, nor will any personal expenses be reimbursed.

7. Foreign Travel

In the event of foreign travel, the Traveler is responsible for providing documentation from a bank, financial institution, or Internet search of the currency exchange rate in effect at the time of the travel. The exchange rate information must be obtained during the dates of the trip. All expenses incurred when travelling outside of the U.S. that were not listed on the travel authorization form must be preapproved by Mayor or the City Manager.

8. Exceptions to Travel Procedures

Department Directors may request exceptions to these Travel Procedures for unusual circumstances. The CFO must approve of such exceptions. **An exception will be granted only if the written rationale is signed by the Department Director and the City's Chief Financial Officer.**

B. Final Accounting and Reconciliation

1. Travel Advances. Submission of a travel advance request does not guarantee that the advance request will be approved and issued.
 - a. Approved travel advances will not be issued for less than Three Hundred Dollars (\$300.00).
 - b. Travel advances may not be requested for airfare, conference registration fees, accommodation, or tips or incidentals. An explanation for the advance request is required and must include the estimated dollar amount for the full trip on the travel advance request form.
 - c. A travel request received later than fourteen (14) days prior to the departure date is not eligible for a travel advance.
 - d. No travel advance will be given to a Traveler who has not filed a Final Travel Expense Report for a previous trip.
2. Maintaining Documentation. Travelers must submit detailed receipts for all expenses, except when receiving per diems for meals. Failure to provide the proper documentation will result in the denial of reimbursement. Expenses claimed without receipts will be treated as taxable income; therefore, the City will not reimburse employees without receipts.
3. Expense Reporting. Within ten (10) days of returning from travel, employees are required to submit a Final Travel Expense Report to the Accounts Payable Division. This report must include final reconciliation and receipts for all expenses, regardless of the payment method. Failure to submit this form will result in the need for the Traveler to repay any funds advanced by the City, denial of reimbursement for unaccounted

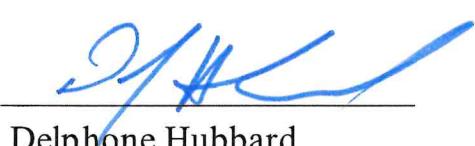
expenses, and loss of P-card privileges. **Any costs not submitted within thirty (30) days of the completion of travel will not be reimbursed.**

C. Forms. The following paperwork is required when traveling for City business:

1. Travel Advance Request Form; and
2. Final Travel Expense Report.

These forms can be found on the Finance Department Accounts Payable Intranet.

Approved:



Delphone Hubbard
City Manager