

**CITY OF FLAGSTAFF  
TRAVEL POLICY  
Effective 5/1/07**

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**15.010 Introduction**

The City of Flagstaff travel policy is intended to be in full compliance with all Internal Revenue Service (IRS) guidelines regarding travel. It is the City's intent to avoid tax liability for the City and the employee for any travel related reimbursements.

The City of Flagstaff's policy is to reimburse employees for necessary and reasonable travel expenses incurred for authorized and approved City business. The employees should be comfortable while traveling, understand all travel policies, and obtain reimbursement quickly.

This policy is intended to:

- Ensure compliance with state and federal regulations.
- Ensure fairness for both the traveler and the City of Flagstaff.
- Establish guidelines for approval, control and accounting for employees.

An employee on City of Flagstaff business has the responsibility to act prudently and to only incur travel expenses, which are necessary, reasonable, and an appropriate use of public funds.

**15.020 General Travel**

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official City of Flagstaff business. Such costs may be charged on an actual basis, a per diem basis, or mileage basis dependent on the type of travel incurred and in accordance with the City of Flagstaff's travel policy.

**15.030 Travel Authorization**

**Employee Responsibility**

1. Employees must fill out a Travel Request Form prior to their intended travel. Their Department Head or Division Head must authorize all travel.
2. When a change of the original travel request becomes necessary, and the employee received an advance, the individual must give notification to his/her supervisor or

- department head and a copy of the changed Travel Authorization form (clearly marked as a correction) must be forwarded to Finance.
3. When there is more than one employee traveling on the same trip, employees can combine their request on the Travel Request Form. Separate reimbursement requests will need to be filed.

### ***Division/Department Head Responsibility***

When the Division/Department Head grants travel authority to an employee, he/she is validating that:

1. Adequate funds will be available
2. The intent of the trip is for city business
3. The employee has authorization

When the Division/Department Head reviews and approves a travel reimbursement, he/she is validating that:

1. Travel expense was incurred
2. The expenditure is charged to the proper account
3. The reimbursement reported is within the required timeframe
4. A copy of the travel request will be forwarded to AP after supervisor approval to allow for follow up/tracking.

### **15.040 Advances**

1. Travel advances are available whenever out-of-pocket expenses are anticipated.
2. No travel advances are allowed through Petty Cash.
3. An employee advance can only request on a voucher.
4. The travel advance voucher should include the purpose and the dates of travel, and submitted with a copy of your approved Travel Request Form to Finance.
5. All employee advances will be charged to the advance account in Your Fund XXX-0000-157-0000.
6. Travel advances must be requested in time to process with the regular bi-monthly check run, but no more than 30 days prior to the travel date.
7. A travel advance must be a minimum of \$100.
8. An advance for travel will not be released to the employee more than 7 working days prior to the date travel commences.
8. Any employee with an outstanding travel advance must turn in their Travel Reimbursement before another travel advance can be issued. The request for reimbursement should be submitted to Finance within 30 days following the trip. Any staff member who has received an advance and has not submitted their travel reconciliation within 60 days **will** have that travel advance deducted from the next paycheck.
9. The employee is still responsible to reconcile and submit their travel reimbursement form.

### **15.050 Prepayments**

1. The authorized Travel Request form must accompany all prepayment requests.
2. A purchase order, voucher or procurement card may be used for registration, hotel, commercial fares, and car rental.
3. All prepayments such as hotel, commercial fares, registrations, and other prepaid expenses will be charged to department travel expense accounts.
4. All Travel Reimbursement forms are to be submitted to Finance within 30 days following the trip.

### **15.060 General Reimbursements**

#### **General**

1. A Travel Reimbursement, with a copy of the Travel Request must be submitted for all travel within 30 days of the travel completion or the employee travel will be restricted.
2. All travel expenses are to be included on the Travel Reimbursement Form including meals on a per-diem basis, incidental expenses, airfare, rental car, registration, and miscellaneous expenses.
3. The procurement card can not be used for any meals.
4. Prepayments must be indicated on the Travel Reimbursement form. If the prepayment was in the form of a check, indicate the check number. If the prepayment was completed with a Procurement Card, indicate the transaction with a 'PC'.
5. Travel reimbursement for a trip that total expenses were under \$100.00 may be reimbursed through petty cash without Finance approval. The Travel Reimbursement Form is filled out submitted with appropriate documentation and the Department Head/ Designee must have initialed the green petty cash voucher.
6. All travel reimbursements for \$100.00 or less, where total travel was in excess of \$100.00, will be handled through petty cash, **after finance has reviewed and approved the travel reimbursement form and initialed the green petty cash voucher.**
7. If the total travel is greater than \$100.00, and the reimbursement is greater than \$100, a copy of the Travel Request form and all receipts must be attached to the Travel Reimbursement Form and submitted to finance. Accounts Payable will issue reimbursements over \$100.00
8. Any employee that received an advance must have their travel validated by Accounts Payable before they receive a refund of any unused portion of the advance.
9. The unused portion of any travel advances due to the City must be returned to the City cashiers within 30 days. The receipt number must be noted in the appropriate blank on the Travel Reimbursement Form and a copy attached.
10. A Travel Reimbursement form must include only one employee.
11. The Department Head must sign reimbursement forms for Division Heads. A Deputy City Manager or the City Manager must sign reimbursements forms for Department Heads. The City Manager must sign reimbursements for the Deputy City Manager's. The Mayor must sign travel reimbursements for the City Manager.
12. Travel Reimbursement form for the Mayor travel must be signed by the City Clerk, City Manager or Deputy City Manager
13. Travel Reimbursement form for the Council travel must be signed by the Mayor or City Clerk.
14. If a trip is canceled, any accounts payable check not sent must be returned to Finance to be voided.
15. The Finance Division will use the high/low cost rates and locations per the information found at <http://www.gsa.gov>. On that web page, go to Travel Resources and choose Per Diem rates.
16. The mileage rate will be based on Federal allowance.

#### **15.070 Lodging-Actual Reimbursement**

The City of Flagstaff takes employee safety into consideration when making allowances for a choice of lodging. Employees are entitled to accommodations that are suitably located and meet reasonable standards for safety, cleanliness and comfort.

1. When traveling to a conference, the city assumes travelers will stay at the hosting hotel even if the rate exceeds a non-luxury hotel rate. If there is a choice of hosting hotels, employees are expected to stay at the least expensive property.
2. If a relative occupies the same room, the employee must obtain the rate for single occupancy, and will receive reimbursement at that rate.
3. Lodging will be reimbursed on an actual basis upon presentation of lodging receipts with the Travel Reimbursement Form.
  - If the original lodging receipt is lost or destroyed, a photocopy may be submitted with Travel Reimbursement Form.
  - If the original receipt is lost and a photocopy is not available and a copy cannot be obtained from the lodging establishment, then a copy of the canceled check or credit card receipt is required showing the employee paid for the lodging. A letter

- must be prepared with traveler name, dates of the travel, the name, address, and telephone number of the establishment, cost per night and total cost of the lodging along with reason why an original or photocopy of receipt is not available.
4. Personal charges (movies, meals, etc) that are on your hotel bill must be paid for separately. Only allowable, reimbursable items are allowed to be charged on your procurement card.

#### **Hotel Cancellations-Non-Emergency**

1. Travelers should ask for the hotel's cancellation policy at the time of booking
2. Travelers should request and record the reservation number for future reference such as billing disputes.
3. The City monitors the payment cancellations. Should the City have to pay for more than one cancellation for one employee, future travel may be restricted or the employee may have reimbursed the City for the cancellation fee.

#### **15.080 Conference Registration – Actual Reimbursement**

1. A copy of the signed Travel Request Form must accompany payment request voucher for pre-registration at conferences.
2. If the registration form does not indicate whether or not meals are included, the employee must indicate which meals are included with registration fee or "No Meals" if no meals are included in the registration fee.
3. Registration fees that the City has paid in advance must be included on the Travel Reimbursement Form.

#### **15.090 Mileage and Rental Vehicles**

Mileage allowances are established by IRS. The City rate matches the IRS rate.

Allowable expenses include the use of a city vehicle, common carrier fares, privately owned vehicle, vehicle rental, and aircraft. Reimbursement will be made only for the method of transportation that is in the best interest of the City of Flagstaff considering the travel expense as well as the traveler's time.

1. If a City vehicle is used, the City will pay the actual cost incurred, gas receipts must be attached.
  - Department heads may, at their discretion, authorize City owned vehicles for out of town travel if they determine the vehicle is in sound mechanical condition.
  - An operator of a city-owned vehicle shall only transport passengers traveling on official business.
2. A rental vehicle is the recommended mode of travel for official City business whenever practical. Rental car agencies shall make available liability insurance coverage per city contract and required by law. This insurance is included in the contract City daily rate and the employee is mandated to accept and purchase this insurance.
3. If spouses or non-city employees accompany the City official or employee in the rental car, for a non-city purpose, the employee will provide liability insurance from rental car agency or their own private insurance agency.
4. If an employee uses their personal vehicle for out town travel, they must have prior approval from their Division Head. Mileage will be reimbursed at IRS allowance. This mileage rate covers all automobile expenses such as fuel, maintenance, towing, repairs, tires, depreciation and insurance.
5. The attached in-state mileage chart (Appendix A) will be used to calculate reimbursement.
6. Additional mileage in the destination city should be recorded separately for reimbursement, with an explanation, and must be reasonable (Miles driven to/from the hotel for the purpose of dining is not reimbursable if adequate meal facilities are available within walking distance).
7. For one-day trips, employees are encouraged to use rental cars under contract with the City; however employees are allowed to use their own vehicle. Reimbursement

will be at the lesser of the current IRS mileage rate or the standard one-day car rental rate then in effect for the City of Flagstaff plus a gas allowance.

**Refer to Appendix B One-Day Trip Car Rental plus gas allowance rate**

**15.100 Car Allowances**

Car allowances are to assist an employee in the maintenance and upkeep associated with the mandatory and regular use of their car on City business. This is fully reportable as compensation and subject to payroll tax by the Internal Revenue Service.

Mileage for out of town travel is a reimbursed expense. The Travel Reimbursement form must be filled out and processed through accounts payable

**15.110 Air Travel**

1. The City will purchase coach airfare for the employee prior to departure.
2. Employees who purchase their own airfare are entitled to reimbursement in the amount equal to the coach airfare. A copy of the detailed flight itinerary must be attached to Travel Reimbursement Form in order to verify departure/arrival times, meals and total fare.
3. In an effort to take advantage of lower airfares for travel that extends over a Saturday night, the City of Flagstaff will allow employees to extend their trip over Saturday night and pay addition lodging and meal costs. Saturday night stay-over is encouraged when net savings exceed the cost of the hotel rate..
4. Personal vehicles may be used for out-of-state travel when no other means of transportation is available or when such use is in the interest of the City. Such requests must be documented at the time the Travel Authorization is approved. The employee shall be entitled to reimbursement at the lesser of either rate set out per mile traveled based on the shortest route from origin to destination or air coach fare.
5. If a City vehicle is available and an employee chooses to use his/her personal vehicle, only actual gas expenses will be paid and receipts must be attached to the Travel Reimbursement Form.
6. Rental car requests must be documented at the time the Travel Authorization is approved. City will reimburse rental fee and actual gas receipts.
7. Employees who fly to their destination and wish to obtain a rental car the City's expense must obtain prior approval from their division head. The rental car receipt must be attached to the Travel Reimbursement Form.
8. Only those individuals approved and authorized by Risk Management may claim privately owned or rented aircraft reimbursement. If an employee uses a private plane Division Head must approve it. The City will pay coach airfare or mileage is based on the shortest air route from origin to destination.
9. If an employee uses a private plane instead of driving a personal vehicle, ground transportation at the destination will be considered for reasonableness.
10. Original itemized receipts are required for reimbursement of chartered aircraft, aircraft rental, landing and parking fees.
11. Local transportation (taxi, bus, and limousine) is reimbursable with receipts. The most economical means of transportation shall be used in traveling to and from the airport.

**15.120 International Travel**

International travel is defined as travel outside the United States and its territories and possessions. **Risk Management must be notified in writing of all international travel 6 weeks prior to travel.**

Per Diem:

1. On a quarterly basis, the Defense Department establishes the federal per diem rates applicable to U.S. locations outside the continental United States including Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and U.S. possessions.

2. On a monthly basis, the State Department changes per diem rates for all other international travel based on fluctuations in the cost of living and foreign exchange rates.
3. The employee is responsible to attach the applicable per diem rate when the Travel Reimbursement form is submitted.
4. The employee will be reimbursed at 40% of the published rate to cover meal and incidental expense (M & IE).
5. The web site to access these amounts are: [w.state.gov/m/a/als/prdmww](http://w.state.gov/m/a/als/prdmww)

Other Travel Costs:

1. Receipts must be submitted with the Travel Reimbursement form
2. The Travel Reimbursement form is to be submitted in U.S. Dollars with an explanation and translation of the currency rate conversions.
3. Currency rates are reflected as those that were in effect when the travel took place.
4. Major credit cards or the procurement card can be used for international travel to secure the proper or correct conversion rate.
5. The Procurement Card may be used to purchase meals for international travel, but the Travel Reimbursement is still based on per diem.
6. The formula to apply to exchange rates is:  
 International Amount X Exchange Rate = U.S. Dollars  
 U.S. Dollars/Exchange Rate = International Amount  
 Or rates may be obtained from: [www.oanda.com/convert/classic](http://www.oanda.com/convert/classic)

**15.130 Per Diem Plan—Meals and Incidental Expenses (M&IE) Allowance Plan**

The City will pay per diem reimbursements to eliminate the need for employees to substantiate meals or incidental expenses, other than to report the number of days spent traveling on a business trip. Per Diem plans do not require employees to return any amounts advanced for days of business, even if the amounts are not actually spent on business; however the City still requires any travel advance to be reconciled within 30 days of the employees return from travel. **The procurement card can not be used for any meal purchase.**

The City is using a “M & IE Allowance” Plan. This is a per diem plan which pays allowances for meals and incidental expenses that do not exceed the per diem rate. Amounts paid to the employee in that location of travel is exempt from reporting and withholding on all payments made under the plan.

The Finance Division will update the rates and locations annually per the Maximum Federal Per Diem rates, which are generally effective October through September. IRS publication 1542 gives the maximum per diem rate than can be used without treating part of the per diem allowance as wages subject to tax purposes.

1. For any city or town not specifically identified in the Maximum Federal Per Diem table, the maximum per diem rate is \$39 per day.
2. When an employee is entitled to reimbursement for three consecutive meals on any one day, the amount expended for any particular meal is left to the employee’s discretion. The total for all meals claimed may be shown as a lump sum for each calendar date, but may not exceed the amount allowed for a particular location.
3. **If the employee travel does not include an overnight stay, there is no per-diem reimbursement.**
4. The City will pay the M&IE allowance on a daily basis for trips that involve an overnight stay dependent on the time the employee leaves and returns to the City.

Breakfast:	Outside the City prior to 6:00 a.m.
Lunch:	Outside the City prior to 11:00 a.m., and returning after 1:00 p.m.
Dinner:	Outside the City prior to 6:00 p.m., and returning after 7:00 p.m.

**FOR EXAMPLE:**  
 The employee takes a two-day trip. He/she travels from 6:00 a.m. on Day 1 of the trip until 8:00 p.m. on Day 2. The City will provide 100% of the M&IE for both days of travel.

**FOR EXAMPLE:**  
 The employee takes a three-day trip. He/she travels from 9:00 a.m. on Day 1 of the trip until 5:00 p.m. on Day 3. The City will provide lunch, dinner and incidental reimbursement on the first day (\$32), the entire \$39 on day 2, and breakfast, lunch, and incidental on day 3 (\$21) for a total per diem reimbursement of \$92.

- 5. Provided Meals – whenever meals are provided at no additional cost to the traveler (e.g. conferences, meetings, airlines) such meals shall reduce that day’s meal allowance at the rate set forth below.

**FOR EXAMPLE:**  
 The employee takes a three-day trip. He/she travels from 6:00 a.m. on Day 1 of the trip until 8:00 p.m. on Day 3. The conference provides lunch every day during the three days. The City will provide \$28 per day per diem (\$39 basic rate minus \$11 allowance for lunch).

**6. Tips on meals are included in the maximum per diem allowance.**

The employee must verify the rate of reimbursement and attach the applicable page from the Maximum Federal Per Diem table if a rate of other than \$46 is being claimed.

<b>M&amp;IE Rate Adjustments for Provide Meals per Location</b>						
	<b>\$46</b>	<b>\$51</b>	<b>\$56</b>	<b>\$61</b>	<b>\$66</b>	<b>\$71</b>
Breakfast	7	8	9	10	11	12
Lunch	11	12	13	15	16	18
Dinner	23	26	29	31	34	36
Incidentals	5	5	5	5	5	5

**Meals at Conferences, Seminars and Symposiums**

- 1. When attending a conference, seminar, or workshop, if a particular meal at the function is not included in the conference fees and is in excess of published rates, the City will pay the full amount of the meal upon receipt.
- 2. This is not to be interpreted to encompass expenditures on recreational or social activities that may be offered in connection with but are not integral to the conference.

3. For reimbursement of such expenditures, the employee must submit copy of conference agenda or brochure showing the nature of the activity that was presented during the meal and amount charged for such meal.
4. The employee cannot claim reimbursement under per diem for this same meal.
5. **No reimbursements will be allowed for alcoholic beverages**
6. **No charges for meals may be made on a procurement card**

**Business Meals:**

A business meal may occur when City staff conduct city business with non-City staff while traveling. Guidelines for reimbursement are in a separate Business Meal policy.

**Incidental Expenses are defined as:**

1. Fees and tips to porter, baggage carriers, bellhops, hotel maids, stewards or stewardesses on ships and hotel servants in countries outside the United States.
2. Transportation between places of business or lodging and places where meals are taken, if no suitable meals are available at the temporary work site to which the employee traveled.
3. All incidental expenses are part of the "M & IE Allowance" and no separate reimbursement will be made.

Travel advances may be requested for the Per Diem allowance for meals and incidental expenses. A voucher with Travel Request Form should be submitted and processed by account payables as reviewed in section 15.040. There will be no meals or incidental expenses charged on the procurement card.

**15.140 Miscellaneous Reimbursements**

1. All miscellaneous expenses must be itemized and receipts attached. (Except for incidentals included in the Per Diem Rate.)
2. Reimbursement for business phone calls and personal phone calls (allowance \$5.00 per day) should be noted on the Travel Reimbursement Form.
3. Communications charges including Internet, faxes and copies are reimbursable if documented with receipts or hotel receipt.
4. Expenses for laundry, cleaning and pressing of clothes will be reimbursed in accordance with IRS guidelines.
5. Transportation (taxies, shuttles, etc) must indicate the purpose of the travel and the start and end locations. Tips to taxi drivers are limited to 15% of the bill to the nearest dollar.
6. Trade show/Presentation expenses including excess baggage charges, freight charges for shipping of presentation material and tipping charges for valet services are reimbursable.

These charges should be noted on the Travel Reimbursement Form

**Non-Reimbursement Expenses**

1. Fees and tips to porter, baggage carriers, bellhops, hotel maids, stewards or stewardesses on ships and hotel servants in countries outside the United States are not reimbursable as miscellaneous expenses as they are part of the per diem rate.
2. In-room movies and video rentals are non-reimbursable expenses

**15.150 Extending Business Trips with Vacation Time**

1. When an employee extends a business trip using vacation time, the employee will be reimbursed lodging and M&IE for the days doing business for the city, including the travel time.
2. Lodging will be reimbursed, at single room rate, for the days doing city business. Airfare equivalent to round-trip travel to/from business destination will be borne by the city.
3. Expenses related to relatives or other non-city individuals accompanying the employee will be disallowed as reimbursable expenses.

4. All additional costs will be borne by the employee.

#### **15.160 Non-Employee Travel**

Travel expenses for non-city employees, such as consultants, speakers, and candidates for positions are reimbursed in accordance with contract for services and vendor payment procedures.

#### **15.170 Insurance**

1. In accordance with ARS 28-4009 and 28-3151, a City employee driving a privately owned vehicle on City business must have current vehicle insurance on that particular auto and a valid driver's license.
2. If an employee allows their personal insurance to lapse and is involved in an accident while on City business, the City may pursue further legal or employment action against the employee as an employee should NEVER use their personal vehicle for City business in this circumstance.
3. If a City employee driving a privately owned vehicle is involved in an accident, his/her OWN liability insurance is primary. After the primary limits are exhausted, the City's policy may respond with excess coverage, but only if the individual was acting within the course and scope of his/her employment at the time of the accident.
4. If an employee driving his/her own vehicle on City business is involved in an accident, regardless of fault, the City will not reimburse the individual for any physical damage to the vehicle including any deductible.
5. Should an employee traveling become involved in an accident that results in damage to city property, damage to property of others, bodily injury or some other form of damage to an individual or organization, the accident should immediately be reported to local law enforcement and then the Risk Manager. This must be followed up in writing using the City's Accident Report Form and should include the following information: police report number, location of accident, and names of parties involved with their phone numbers and insurance information.
6. In addition, it is very important that the employee as an individual directly or indirectly involved in an accident, not talk about the accident to anyone other than appropriate individual(s) within the City, their division, the Risk Manager, or an adjuster or attorney representing the City. No discussion should take place concerning the accident nor should any reports be given to any other individual.
7. City insurance coverage that is provided to city employees while on duty, may be jeopardized when a City employee deviates from his/her predetermined travel authorization. These coverage's include worker's compensation and liability insurance.

## Appendix A      Mileage Chart

Mileage Listing from Flagstaff to other cities

Ajo	250
Ashfork	49
Benson	303
Bisbee	352
Blythe, CA	243
Casa Grande	191
Chandler	165
Clifton	300
Coolidge	198
Cottonwood	48
Douglas	375
Duncan	330
Florence	205
Ft. Huachuca	328
Fredonia	195
Gallup, NM	186
Gila Bend	206
Glendale	145
Globe	224
Grand Canyon	78
Holbrook	91
Hoover Dam	223
Kingman	161
Las Vegas, NV	263
Laughlin, NV	180
Lordsburg, MN	381
Mesa	158
Miami	223
Needles, CA	226
Nogales	322
Page	134
Parker	244
Payson	98
Phoenix	142
Prescott	90
Safford	306
St. George, UT	281
St. Johns	153
Scottsdale	153
Sedona	29
Show Low	134
Springerville	183
Superior	205
Tempe	152
Tombstone	324
Tuba City	79
Tucson	258
Wickenburg	150
Wilcox	338
Williams	32
Winkelman	238
Winslow	58
Yuma	308

## **Appendix B One-day Round Trip Car Rental plus gas allowance**

Current round trip rates are:  
\$55 plus

- \$10 for up to 100 miles
- \$20 for 101-200 miles
- \$30 for 201-300 miles
- \$40 for 301-400
- \$50 for 401 miles and greater.