



## *Finance Department*

**DATE:** April 7, 2020  
**FROM:** Dmitriy Chernyak, Finance Director  
**ITEM:** Travel Policy Revisions

### **REQUEST**

To approve the revisions to the Travel Policy.

Please place this item on the 4/14/2020 City Commission meeting agenda.

### **BACKGROUND INFORMATION**

Revisions to the Travel Policy have been made in regards to private vehicles and the reimbursement employees will receive. Necessary official travel by City employees within the assigned service area on most direct routes will be reimbursed at the business standard mileage rate issued by the Internal Revenue Service. The additional amount reimbursed on employee paychecks at the end of each month based on total miles traveled in the previous year has been removed. The employee will receive reimbursement for actual miles traveled, documented and submitted for reimbursement using the standard mileage rate issued by the Internal Revenue Service.

Additional revisions to the policy include updating the In-State meal reimbursement per quarter for a total of \$35.00/day, which follows NDCC 44-08-04, along with providing the current path on the City's intranet to find the Out-Of-State per diem rates.

### **RECOMMENDED CITY COMMISSION ACTION**

To approve the revisions to the Travel Policy.

### **STAFF CONTACT INFORMATION**

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**TRAVEL POLICY**  
**CITY VEHICLE TRAVEL POLICY**

PURPOSE

It shall be the policy of the City of Bismarck to allow the use of City owned or privately owned vehicles for travel out of the jurisdiction or State on City business with prior approval of the Department head or designee.

PROCEDURE

1. City vehicles may be used when available and practicable for out-of-town business. Reimbursement will be for actual documented expenditures.
2. Private vehicles may be used for travel out of town/state on City business. Reimbursement shall follow the business standard mileage rate issued by the Internal Revenue Service. When private vehicles are utilized where air travel could normally be utilized, the travel time shall be limited to one (1) day each way. Maximum reimbursement shall not exceed the cost of reasonable airfare fees.
3. When a City vehicle is available and a private vehicle is used, reimbursement will be for documented gasoline purchase only.
4. Non-City employees will not be allowed as passengers in City vehicles without prior approval of Department head or designee.
5. The use of rental vehicles will be allowed only with prior approval of Department head or designee.
6. Only drivers shall be authorized reimbursement for vehicle travel expense.
7. City vehicles may be used for City purposes only.

Travel in City of Employment

Private Vehicle

Necessary official travel by City employees within the assigned service area on most direct routes will be reimbursed at the business standard mileage rate issued by the Internal Revenue Service.

~~In addition, you will receive an additional amount on your paycheck at the end of each month based on the following formula. This formula will be re-calculated and approved annually.~~

<u>MILES</u>	<u>AMOUNT</u>
<del>1 – 500</del>	<del>\$ .00</del>
<del>501 – 1,500</del>	<del>10.00</del>
<del>1,501 – 3,000</del>	<del>25.00</del>
<del>3,001 – 6,000</del>	<del>35.00</del>
<del>6,001 – 9,000</del>	<del>45.00</del>
<del>9,001 – 12,000</del>	<del>55.00</del>

Mileage from a normal work station to a conference or meeting is reimbursable if an employee actually reports to work prior to attendance at the meeting. However, mileage for travel from an employee's residence directly to the conference/meeting site is not reimbursable, since it is considered normal commuting travel.

#### Commercial Air Travel

Employees may be reimbursed for actual airfares paid for travel on official business. Employees may be reimbursed for actual fees for the first checked bag. A receipt is required. Reimbursement for additional baggage may be authorized in advance of the air travel by the department head for travel extending a week or unusual or extenuating circumstances that require additional baggage.

Charges to Travel Agents: While not specifically allowed by ordinance, the privilege of charging airline tickets through a travel agency is allowed. If a department allows employees to charge airfare to the City via a travel agency, the following control procedures must be utilized to assure internal control and proper payment and credit:

1. A purchase order must be completed in order to receive an additional 10-percent discount at the time of booking.
2. The travel agent should be advised of the proper City billing procedures and accurate address.
3. Employees must submit the last coupon of their ticket (white copy) and itinerary to their departmental personnel responsible for payment of bills.
4. The Department's Fiscal personnel shall match all travel agency charges to the ticket coupons to assure proper charges.
5. Unused tickets which have been charged to the City must be submitted to the department's Fiscal personnel or travel coordinator for refund, not directly to the travel

agency. The Fiscal staff should make appropriate note of the return ticket prior to payment of the travel agency billing to assure proper credit.

#### Pre-payment of Airfare

Agencies may purchase airline tickets in advance of anticipated travel to take advantage of reduced or discounted fares. A pre-paid ticket must be received at the time payment is made to an airline or travel agency.

At the discretion of the Department head, employees may travel on the weekend if it results in savings.

#### Taxi Fares/Airport Parking

Employees may be reimbursed for actual taxi fares paid and cost of Airport parking paid while in travel status. All reasonable attempts should be made to minimize the cost of transportation. A receipt is required.

#### Lodging Receipts and Payments

Only receipts from bona fide lodging establishments should be accepted for reimbursement by the Departments. Receipts from relatives for the provision of lodging services will not be acceptable. The receipt must be the official receipt from the lodging establishment which details all charges and not a charge slip from a credit card system.

Bona fide lodging establishments include: hotels, motels, college dormitories, hospitals, military facilities, and similar institutions.

1. Lodging charges when accompanied by an individual not eligible for reimbursement: When accompanied on a City authorized trip by a spouse or traveling companion, the City employee must have the lodging establishment clearly certify the room rate for a single person and only that amount may be claimed.
2. Lodging charges--two (2) employees sharing lodging: If two (2) city employees are sharing lodging accommodations, the actual cost of the room must be split evenly and each must have a separate receipt.

*Example:* Where a double rate is \$50.00 and a single rate is \$37.00, the City will reimburse only the actual cost to the travelers, or \$25.00 each (not \$37.00 each).

## Reimbursement for Meals and Lodging

City of Bismarck provides for reimbursement of employee expenses for meals and lodging while an employee is away from his/her normal working and living residence.

Claims may also be made for meals which are not included as part of a registration fee for a conference, seminar, or other meeting and for meals attended at the request of and on behalf of the City or any of its subdivisions, agencies, bureaus, boards, or commissions; however, if a meal is included in a registration fee or airline fare, the applicable quarter allowance cannot be claimed for the meal.

Departments are urged to use restraint and common sense in authorizing this expense to prevent abuse of this provision.

The maximum expense allowance for each quarter of any twenty-four (24) hour period is as follows: (The policy provides that employees shall be reimbursed for the first quarter only if travel began before 7:00 a.m.). When using personal vehicle and traveling out of town, travel begins when the person traveling leaves their house. When using a City vehicle, travel begins when the person traveling starts his/her trip with the City vehicle. The expense allowance for each quarter is prescribed by NDCC 44-08-04. The current rates are:

### IN-STATE

- 1st quarter 6 AM to 12 Noon  
(Only if travel begins before 7 AM)                   \$ ~~6.00~~ 7.00
- 2nd quarter 12 Noon to 6 PM                                 \$ ~~9.00~~ 10.50
- 3rd quarter 6 PM to 12 Midnight                             \$ ~~15.00~~ 17.50
- 4th quarter 12 Midnight to 6 AM - (Actual lodging not to exceed \$63.00, plus tax)

If the employee is unable to obtain the State rate (after requesting), the City will pay the actual cost of lodging. A receipt is required.

### OUT-OF-STATE EXPENSES

AS PER IRS PER DIEM RATE CURRENT RATES FOUND (~~using Adobe Reader pdf~~) ON CITY OF BISMARCK INTRANET (~~intranet.bismarck.org~~), ~~IMPORTANT INFO~~, FINANCE, ~~REIMBURSEMENT-FORMS~~, PER DIEM RATES - YYYY-2008.

- 1st quarter 6 AM to 12 Noon  
(Only if travel begins before 7 AM)                   20%
- 2nd quarter 12 Noon to 6 PM                                 30%
- 3rd quarter 6 PM to 12 Midnight                             50%
- 4th quarter 12 Midnight to 6 AM - (Actual cost of lodging)

Verification of claims via receipt is not required for the first three (3) quarters but is required for lodging. Receipts are also required for taxi fares and for all other miscellaneous expenses.

**NOTE:** Before any allowance for any such mileage or travel expenses shall be made, the employee shall file with the City an itemized travel voucher showing mileage traveled, the purpose thereof, and such other information and documentation as may be prescribed. Statements such as to attend a meeting, etc., should not be accepted as sufficient documentation as purpose of travel.

If an employee is not claiming reimbursement for lodging, please state so in the space provided.

Reimbursement for telephone calls. When traveling, necessary City business phone calls will be reimbursed.

Approval Date: 05/27/97

Revision Date: 4/14/20, 01/08/13, 10/26/12, 07/12/11, 12/07/10, 01/12/10, 09/22/09,  
08/14/08, 11/30/07, 11/15/06, 12/12/05, 09/01/05, 08/01/05, 01/01/05,  
01/01/04, 01/01/02, 08/15/01, 10/05/01, 05/03/99