

# Travel and Business Expense Procedures



County of Sutter

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## Contents

1. INTRODUCTION .....	2
1.1 Purpose and Authority .....	2
1.2 Revision History .....	2
1.3 Applicability .....	2
1.4 Responsibilities .....	2
1.4.1 Auditor-Controller Responsibilities.....	2
1.4.2 Department Responsibilities .....	2
1.5 Definitions.....	2
2. TRAVEL EXPENSE GUIDELINES .....	3
2.1 Travel Authorization .....	3
2.2 Department Travel Coordinators .....	3
2.3 Contract Travel Agency.....	3
2.4 Per Diem Rates.....	4
2.5 Government and Group Rates.....	4
2.6 Hotels/Lodging.....	4
2.7 Meals .....	4
2.7.1 Travel-Related .....	5
2.8 Means of Travel .....	6
2.8.1 Use of Private Vehicle.....	6
2.8.2 Airline Travel .....	6
2.8.3 Car Rental .....	7
2.9 Other Business Expense Incurred While Traveling.....	7
2.10 Expenses Excluded from Reimbursement.....	7
2.11 Travel Advances .....	7
3. NON-TRAVEL BUSINESS EXPENSE .....	8
3.1 Meals Unrelated to Travel.....	8
3.2 Qualifying Work-Related Education.....	8
4. CLAIMS, EXPENSE REPORTS, CONTENT AND SUBMISSION .....	8
5. QUESTIONS-APPLICATION AND INTERPRETATION .....	9

# 1. INTRODUCTION

## 1.1 Purpose and Authority

In accordance with Sutter County Administrative Policies and Procedures number 1001, titled Accounting for Travel and Business Expense, approved by the Board of Supervisors, these procedures are established by the Auditor-Controller (AC) for the accounting of travel and business expense. Procedures are intended to provide guidance to Sutter County employees on the standards of use of County resources for travel on official County business and County business-related expense reimbursements; and ensure that all actual and necessary expenses incurred by the County, including but not limited to travel, meals and lodging, are properly authorized and obtained in an efficient manner and at the lowest possible cost.

## 1.2 Revision History

Effective Date	Revision No.	Document
July 1994	1	Travel and Business Expense Policy
July 2024	2	Travel and Business Expense Reimbursement Policy and Procedures Manual

## 1.3 Applicability

This policy shall apply to all County employees and officers and, when appropriate under these rules, members of boards and commissions.

## 1.4 Responsibilities

### 1.4.1 Auditor-Controller Responsibilities

The Auditor-Controller will update the policy and procedures for reimbursement of travel and business expense as required by law, Internal Revenue Service (IRS), Generally Accepted Accounting Principles (GAAP), or practical necessity. Approved reimbursements shall be submitted to the Auditor-Controller for review and payment, subject to reasonable audit adjustments to conform with the requirements of the Travel and Business Expense Policy and Procedure.

### 1.4.2 Department Responsibilities

The department head or authorized department staff is responsible for the primary review and approval of employee reimbursement reports to ensure compliance with the procedures set forth herein.

## 1.5 Definitions

The term “Bi-County” refers to Yuba-Sutter Counties.

Reimbursement claims are Expense Reports.

Travel advances are spend authorizations and require subsequent submission of expense reports.

Travel expense refers to expenses incurred while a person is traveling away from home for a County business purpose. Examples are meals, lodging, eligible mileage, and other reasonable incidental expenses.

## **2. TRAVEL EXPENSE GUIDELINES**

To conserve County resources and keep expenses within the budget, travel expenses should adhere to the following guidelines. In the event in which the incurred travel expenses exceed these guidelines, the cost reimbursed by the County will be limited to the costs that fall within the guidelines.

County employees shall be responsible for ensuring that they comply with all laws, regulations and rules governing travel while on County business.

### **2.1 Travel Authorization**

Department heads or their designee(s) shall review and authorize reimbursable travel reimbursements. All authorized costs will be borne by the authorizing department. Reimbursement of costs for travel outside of State of California must be approved by the Department Head.

Reimbursement of costs for travel outside United States must be approved by the Board of Supervisors. Such travel requests must state the purpose, dates, cost, and destination of the proposed trip. Requests must be justified with respect to a demonstrated need and expected benefit to the County.

### **2.2 Department Travel Coordinators**

Each department head may designate one or more travel coordinators. The traveler or travel coordinators will be responsible for making the most cost-effective travel arrangements given the facts and circumstances related to the travel.

### **2.3 Contract Travel Agency**

The County has enrolled into the Statewide Travel Program. The preferred method for arranging travel involving airfare, car rentals, and/or an overnight stay in a hotel is through the CalTravelStore, the State's only authorized travel agency. Please contact Sutter County General Services for more information.

Department heads or their designee(s) may authorize the traveler or travel coordinators to use other means to arrange travel if it results in a cost saving to the County when compared to using the contract agency. Comparable cost justification may be required by the Auditor-Controller.

## 2.4 Per Diem Rates

Per diem rates shall be reviewed annually by Auditor-Controller to reflect the meal allowance for Sacramento area allowed by Federal Travel Regulations and to reflect the IRS standard mileage rate as the mileage reimbursement rate for the County. Refer to the most current per diem rates published on Auditor-Controller’s Office website under “Other Publications”.

The following is an example of the most recent per diem rate and the maximum allowable reimbursement rate effective January 1, 2024.

Breakfast	\$16.00
Lunch	\$17.00
Dinner	\$31.00
Incidental	\$ 5.00
<b>Total</b>	<b>\$69.00</b>

## 2.5 Government and Group Rates

Individuals shall use government and group rates offered by a provider for transportation or lodging services whenever available, or lower rates when reasonably available.

## 2.6 Hotels/Lodging

If the lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available at the time of booking. If the group rate is not available, the individual shall use comparable lodging that is otherwise consistent with Section 2.5. Lodging receipt must accompany expense reports for reimbursement.

Reimbursement will be allowed for lodging obtained at a distance of 40 road miles or more from primary work location or primary residence determined by the shortest commonly traveled direct route.

Reimbursement for the cost of lodging is limited to actual cost incurred and will be reimbursed only at the single room rate unless more than one employee shares room accommodation.

## 2.7 Meals

Meal reimbursements are classified as either taxable or non-taxable per IRS Regulations.

Definitions are provided below:

- a. Taxable Meals: Meals are taxable during travel that does not require overnight stay or rest.
- b. Non-Taxable Meals: Meals are non-taxable based on the following:
  - If an overnight stay is involved.
  - Group meals such as:
    - Lunch provided during training classes
    - Meals provided as part of an organized conference
    - Meals provided to employees on County premises for the convenience of the employer (requires CAO approval).

### *2.7.1 Travel-Related*

These are meal expenses incurred while traveling outside the Bi-County area for business purposes on the County's behalf, as well as attending employment-related training or conferences. Travelers may be reimbursed for meal expenses, including tax and tips, not to exceed the established per diem rates. Payments in excess of the per diem rates are not allowed.

When meals are included in the registration cost for a conference or seminar, the actual cost of the meal will be paid as part of the registration fee. A separate per diem payment for that meal will not be allowed.

#### **1) Trips of 24 Hours or More:**

For travel lasting 24 hours or more, employees may claim meals, based on the following guidelines.

Below is an example of work hours from 8 a.m. to 5 p.m.

- Breakfast may be claimed if the trip begins at or before 6:00 a.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 9:00 a.m.
- Lunch may be claimed if the trip begins at or before 11:00 a.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 2:00 p.m.
- Dinner may be claimed if the trip begins at or before 4:00 p.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 7:00 p.m.

The following is an example of work hours from 11 p.m. to 7 a.m.

- Breakfast may be claimed if the trip begins at or before 9:00 p.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 12:00 a.m.
- Lunch may be claimed if the trip begins at or before 2:00 a.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 5:00 a.m.
- Dinner may be claimed if the trip begins at or before 6:00 a.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 9:00 p.m.

#### **2) Trips of Less than 24 Hours**

For travel lasting less than 24 hours to a destination outside the Bi-County area of 40 miles or more, meal reimbursement is allowed if work plus travel causes an "extended work day". An "extended work day" is defined when regular hours plus travel causes the normal workday to be extended by two or more hours at either the beginning or end of shift; **AND** for same day travel with a destination outside the Bi-County area of 40 miles or more, reimbursement will be allowed if the work shift exceeds five (5) hours. Travel meals are not the same as overtime meals. Both cannot be claimed simultaneously for the same meal.

Meals may be claimed in accordance with the following guidelines:

- (a) Breakfast, when travel time begins two hours or more before the start time for the traveler's regular work schedule for that day;
- (b) Lunch, when travel time:
  - i. ends six or more hours past the start time of the traveler's regular work schedule for that day (example: a traveler whose regular schedule is 8:00 a.m. to 5:00 p.m. returns from travel after 2:00 p.m.), and
  - ii. begins six or more hours before the end of the traveler's regular work schedule for that day (example: a traveler whose regular schedule is 8:00 a.m. to 5:00 p.m. leaves for a trip before 11:00 a.m.).
- (c) Dinner, when travel time extends two or more past the end time for the traveler's regular work schedule for that day.

The incidental portion of the per diem is paid only if the travel involves an overnight stay.

## 2.8 Means of Travel

County automobiles will be used when available as determined by the department head. Only persons employed by the County shall be transported in a County automobile except transportation of clients in accordance to normal operation of the department.

### *2.8.1 Use of Private Vehicle*

A private vehicle may be used for travel outside of Bi-County area for County business purposes and if it results in a cost savings to the County when compared to contract travel agency.

Travel for commuting between home and the office is not reimbursable.

Travel between home and County business destination is reimbursable to the extent that the total mileage exceeds the normal round-trip commute between the home and the office.

Travel between County offices for authorized County business purposes is reimbursable.

Reimbursements shall be made only for the purpose of necessary travel, less any personal use miles. Personal use mileage includes commute miles to or from an employee's primary work location and any side trips or travel miles taken for reasons of personal business or other non-County business activities.

The mileage reimbursement rate will be equivalent to the rate set by the IRS.

### *2.8.2 Airline Travel*

The preferable method of purchasing airline ticket is through the contracted travel agency. Department heads or their designees may authorize the department's travel coordinators to use other means to arrange travel (i.e., internet, etc.) if it results in a cost savings to the County when compared to using the contract agency. The traveler should choose the lowest cost fare available that is reasonable for the time they would travel or how much time they would spend traveling; the traveler should choose non-reimbursable fares if they include cost savings consistent with the likelihood that the travel may not occur or may require a change; and first-class travel is prohibited unless pre-approved by the County Administrative Officer or their designee.

### 2.8.3 Car Rental

The preferred method of car rental reservations is through the contract travel agency. Car rental companies that allow for use of a voucher system will be utilized whenever possible. Department heads or their designees may authorize the department's travel coordinators to arrange for car rentals (i.e., internet, etc.) if it results in a cost saving to the County when compared to using the contract agency.

## 2.9 Other Business Expense Incurred While Traveling

While traveling on official County business, the following are reimbursable at actual cost when original receipts are attached to the Travel and Business Expense Form.

- Necessary taxicab, airport transportation, shuttle, rideshare, bus fares or other transportation costs.
- Parking fees
- Road and bridge tolls
- Automobile rental or leasing costs excluding add-on insurance damage waiver policies
- Reasonable telephone and facsimile charges in connection to County business

## 2.10 Expenses Excluded from Reimbursement

- Babysitting fees
- Traffic fines
- Parking fines
- Speeding tickets
- Hotel luxury upgrades
- Pet care and boarding
- Personal expenses such as personal portion of any trip, including expenses associated with a non-employee who accompanies the employee on official County Business.
- Entertainment expenses, including but not limited to theater, movies, sporting events, cultural events or political events.
- Alcoholic beverages

## 2.11 Travel Advances

Funds may be advanced by the Auditor-Controller for any travel related expenses covered by the Travel and Business Expense Policy. The request must be submitted at least 21 days prior to the travel date.

A final accounting for the actual expense must be submitted to the Auditor-Controller within 10 days of return from the trip for which the advance was issued or prior to termination of County employment, whichever event occurs first, along with any advance in excess of the claimed amount.

Submission of accounting of final expenses incurred over 60 days shall be subjected to income tax in accordance with the IRS Accountable Plan.



## **3. NON-TRAVEL BUSINESS EXPENSE**

### **3.1 Meals Unrelated to Travel**

Reimbursement will be provided for the actual cost of a meal for non-Sutter County employee who serves on a personnel interview panel and the cost of the County employee's meal who escorts the panel. Similarly, when authorized by the department head, meals may be provided to other governmental employees or private individuals who, at the County's request provide services gratuitously which benefit the County, or in other business situations of potential benefit to the County. Submission of reimbursement must be accompanied by original receipt and must be authorized by the department head.

When a County officer or department head hosts a conference or meeting that will be of benefit to the County of Sutter, a pre-approval from the County Administrator Office is required. The expenses of that meeting shall be reimbursable at actual cost. Original receipts and documentation of pre-approval must be attached to the claim.

### **3.2 Qualifying Work-Related Education**

Reimbursements for qualifying work-related education as defined in the Human Resources' *"Rules Governing Employee Compensation, Benefits & Working Conditions"* must be submitted with substantiating records indicating eligibility of reimbursement, proof of payment, appropriate authorization, and forms from Human Resources.

## **4. CLAIMS, EXPENSE REPORTS, CONTENT AND SUBMISSION**

All travel and business expense reports or claims:

- Must be itemized on the claim or expense report.
- Must comply with the County's policies relating to the use of public funds.
- Must be submitted within 60 days of an expense being incurred, accompanied by supporting documents such as original receipts, travel agenda, and other records documenting each expense. Accounting of actual expenses for Travel Advances must be submitted within 10 days of incurring the expenses in accordance to the Accountable Plan.
- Must substantially conform to IRS requirements to substantiate business expenses by adequate records or sufficient evidence corroborating the amount, time/place, business purpose, and business relationship of the entertained person or persons.
- Must not use petty cash funds for reimbursement unless otherwise authorized by a Board approved resolution.
- Must document that the expense(s) meet the requirements of the Travel and Business Expense Policy and Procedures.
- Reimbursements older than 60 days are reported as taxable income and processed through payroll.
- Are subjected for review and reasonable audit adjustment that they comply with the Travel and Business Expense Policy.
- Are public records subject to disclosure.

## **5. QUESTIONS-APPLICATION AND INTERPRETATION**

Questions concerning the application and interpretation of this policy should first be directed to the Auditor-Controller. In the event of a disagreement, the County Administrative Officer should be consulted for further review. County Counsel will be consulted for legal review as appropriate.