



## Human Resources Department

**DATE:** May 14, 2024

**FROM:** Leanne Schmidt, Human Resources Director

**ITEM:** Review of Employee Travel Policy

**REQUEST:**

Receive, consider, and accept the revised HR Travel Policy.

**BACKGROUND INFORMATION:**

Department directors discussed & policy has been modified to reflect current practices.

**RECOMMENDED CITY COMMISSION ACTION:**

Approved revised and updated policy.

**STAFF CONTACT INFORMATION:**

Leanne Schmidt, Human Resources Director, 701-355-1332, [lschmidt@bismarcknd.gov](mailto:lschmidt@bismarcknd.gov)  
Julie Peplinski, HR Assistant, 701-355-1334, [jpeplinski@bismarcknd.gov](mailto:jpeplinski@bismarcknd.gov)

**ATTACHMENTS:**

1. Travel Policy
2. Travel Policy - Draft

## **TRAVEL POLICY**

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The City's p-card is the preferred method of payment for most travel related expenses. The use of the p-card eliminates the need for employees to use personal funds to pay for the initial travel costs. The only exception is meals which are reimbursed on a per diem basis and CANNOT be charged to a p-card. In instances where an employee elects to use personal funds to pay for travel costs, the City will NOT reimburse the travel related expenses until after the travel has taken place.

There may be instances where travel is being reimbursed by an external grant that has more restrictive travel policies than the City. In these instances, the traveler and department director must be aware of the grant requirements and must follow the travel policies indicated by the grant agreement.

## **DEFINITIONS**

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If an employee is traveling by vehicle and departs/returns directly from/to their place of employment, travel status begins when departing the place of employment or ends when arriving at the place of employment. The same is true if an employee leaves directly from their place of residence or returns directly to their place of residence. Travel status begins when departing their residence or ends when arriving at their residence.

**Travel Reimbursement Voucher** – a voucher detailing the travel costs being submitted for reimbursement. This form must be submitted in order to receive reimbursement for travel. The deadline to submit the Travel Reimbursement Voucher is no later than 30 days from the end of travel.

**Travel Reimbursement Checklist** – a checklist to be used as a resource to verify documentation is complete. This form is not required to receive reimbursement.

## **PURPOSE OF TRAVEL**

If traveling for a conference or training, a detailed agenda must be submitted. If an agenda is not available, a memo from the department director must be provided. The agenda or memo should include the following information:

- Purpose of the conference/training
- Dates of the conference/training
- City and venue of the conference/training
- Detail of the items included in your registration fee (membership fee, annual dues, classes, certifications, luncheons, banquets, tours, etc.)

### **PURPOSE/POLICY- VEHICLES**

The City allows the use of City owned vehicles (or, if necessary, private vehicles) for travel out of the jurisdiction or State with approval of the department director or designee.

- City vehicles should be used when available and practical for out-of-town business. Reimbursement will be for actual documented expenditures.
- Personal vehicles may be used for travel out of town/state on City business with department director or designee approval. Reimbursement for personal vehicle use shall follow the business standard mileage rate issued by the Internal Revenue Service (IRS).
- Personal vehicles may also be used for necessary travel by City employees within the assigned service area on the most direct route. Reimbursements shall follow the IRS business standard mileage rate, will NOT be issued more frequently than once per month, and will NOT be issued for reimbursements less than \$10.
- When private vehicles are utilized where air travel could normally be utilized, the travel time shall be limited to one day each way. Maximum reimbursement shall not exceed the cost of reasonable airfare fees. Documentation of the reasonable cost of the airline fee is required.
- Non-City employees will not be allowed as passengers in City vehicles without approval of department director or designee.
- The use of rental vehicles will be allowed only with approval of department director or designee.
- City vehicles may be used for City purposes only.
- Mileage from an employee's residence directly to a conference/meeting site within Bismarck/Mandan is not reimbursable since it is considered normal commuting travel.

### **COMMERCIAL AIR TRAVEL**

Employees may be reimbursed for actual airfare paid for travel on official business. Employees may be reimbursed for actual fees for the first checked bag. A receipt is required for both airfare and baggage. Reimbursement for additional baggage may be authorized by the department director or designee for travel extending a week or unusual or extenuating circumstances that require additional baggage.

- Flights should be booked directly with the airline (i.e. Delta, American Airlines, etc.). Issues with delayed flights or cancellations are much easier to resolve when booked directly. If using a travel site such as Expedia or Kayak, bookings should be refundable (hotel, car rental, airfare, etc.). If a non-refundable flight is booked through a travel site and the travel is cancelled, the employee may be held liable for that expense.
- Airline credits for unused tickets or cancelled flights must be reported to Fiscal Services and transferred to the City, if possible.
- Employees must submit their flight itinerary with their travel voucher showing dates and departure/arrival times.
- The City will reimburse for coach/economy class only. Class upgrades are NOT reimbursable.
- Travel insurance is NOT reimbursable.
- If there is more than one person from the department traveling, flights should try to be booked at the same time, if possible.
- At the discretion of the department director or designee, employees may travel on the weekend, if necessary (i.e. traveling on Saturday for a conference that starts Monday). The department must retain documentation to support why travel on the weekend is necessary.
- All travel costs for personal days are the responsibility of the employee. If an employee chooses to extend travel for personal reasons, documentation must be submitted showing that City funds were not used for

any additional costs incurred. A comparison must be maintained showing the cost of airfare for City purposes compared to the cost of airfare with personal travel days. Any additional airfare costs in excess of the fares related to City purposes are the responsibility of the employee.

#### **TAXI/RIDE SHARING SERVICES/AIRPORT PARKING**

Employees may be reimbursed for actual taxi or ride sharing fares paid and airport parking paid while traveling. All reasonable attempts shall be made to minimize the cost of transportation. A receipt is required for each trip which must include the amount of tips paid. Tips up to 15% are considered reasonable and will be reimbursed. Any additional tip is not reimbursable. If a receipt is not available and paid by personal debit or credit card, the employee must submit a bank or credit card statement showing the amount that was paid. If paid by cash, a written statement from the department director or designee must be submitted approving the expense.

#### **LODGING**

The City reimburses employee expenses for lodging while an employee is away on City business outside of his/her normal working and living residence. Only receipts from bonafide lodging establishments (hotels, motels, college dorms, hospitals, military facilities, etc.) will be accepted for reimbursements.

- Lodging should be at the conference hotel. If that is not possible, every attempt should be made to stay at a hotel close to the conference venue with a cost equal to or less than the conference hotel amount.
- Stand-alone charges for wi-fi are not an allowable expense unless it is necessary to perform City business when not at the conference or if the charge is combined with a resort fee or standard hotel fee.
- It is the employee's responsibility to make sure at the time of check out that only lodging charges are on your receipt and, if within the State of North Dakota, no sales tax is being charged. Provide the City sales tax-exempt number (E-4054) to have sales tax waived.
- If a spouse or traveling companion is staying with the employee, the City employee must have the lodging establishment clearly certify the room rate for a single person. Double occupancy rate may not be claimed (unless it is the same as single occupancy rate)
- Lodging expenses are reimbursed based on the actual cost of lodging. A State rate should be requested. An original lodging receipt is required for reimbursement to the employee.

#### **REIMBURSEMENT FOR MEALS**

Reimbursement of meals while an employee is traveling outside of the Bismarck/Mandan area is reimbursed on a per diem basis. If meals are included as part of a registration fee or provided by a third party, the applicable quarter allowance cannot be claimed. An exception is made for continental breakfast included in the lodging rate. When only a continental breakfast is served, reimbursement for breakfast may be provided. If an employee has a business justification for skipping a provided meal, a note must be included as justification with the travel voucher documentation justifying why the applicable allowance is being claimed.

An employee should be reimbursed for meals paid by the employee while traveling for business, up to the rates established on the following page. The employee must be away from the normal place of employment for a minimum of four hours and must be in travel status one hour before and one hour after the start of the quarter to be eligible for reimbursement. For purposes of employee meal and lodging reimbursements, state law defines the four quarters of the day as follows:

- First quarter shall be from 6:00 am to 12:00 pm. No reimbursement may be made for this quarter if travel begins after 7:00 am.
- Second quarter shall be from 12:00 pm to 6:00 pm. No reimbursement shall be made for this quarter if travel begins after 11:00 am or ends prior to 1:00 pm.
- Third quarter shall be from 6:00 pm to 12:00 am. No reimbursement shall be made for this quarter if travel begins after 5:00 pm or ends prior to 7:00 pm.

- Fourth quarter shall be from 12:00 am to 6:00 am. This quarter pertains to claiming lodging expense.

Meal reimbursement rates depend upon the time of day the employee is in travel status and whether the travel is in-state or out-of-state. Meals are NOT reimbursed based on actual costs, so verification of receipts are not required for the reimbursements of meals on a per diem basis.

The allowance for out-of-state meals is equal to the per diem meals rate in the city for which a claim is made by the United States General Services Administration (GSA) and must be allocated twenty percent to the first quarter, thirty percent to the second quarter, and fifty percent to the third quarter. The applicable GSA rates can be found at the following website <https://www.gsa.gov/travel/plan-book/per-diem-rates>.

The following table contains a breakdown of the daily meal rates:

<b>Location</b>	<b>Daily Total</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>
In-State	\$45.00	\$9.00	\$14.00	\$22.00
Out-of-State	GSA Daily Rate	20% of GSA Daily Rate	30% of GSA Daily Rate	50% of GSA Daily Rate

Per diem meal allowances for same day travel is considered taxable by the IRS and is added to the employee's wages through payroll. Per diem meal reimbursements for overnight travel is designated to be tax deductible by the IRS and therefore, nontaxable to the employee.

#### **TRAINING**

Employee will be paid for any time spent attending training programs, meeting, and other similar activities if attendance is required and the training and meeting is directly related to the employee's position.

When a nonexempt employee travels for work, work-related time will be shown on timecards and compensated as worked time. Only times spent traveling or in work-related training or meetings will be paid time and excludes meals, social activities, etc.

#### **TRAVEL TIME**

Time spent commuting from home to work or work to home is not compensable and is not considered travel time for the purposes of this section. All nonexempt employees are eligible for compensation for the time they spend on work-related training. For example, when an employee arrives at the Bismarck airport for departure, to the time he/she arrives at their hotel in the destination city to include all layover time and similarly on the return trip, is considered travel time.

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