



## MEMORANDUM

**TO:** All Departments, Board and Commissions

**FROM:** Ed Harrington, Controller

**DATE:** February 8, 2005

**SUBJECT:** 2005 Travel & Official Business Reimbursements – Supersedes Department Instruction 1053R

As we begin 2005, we thought it worthwhile to review the City's travel rules and provide guidance to departments on what expenses will be allowed. As a general rule:

**Officers or employees should incur only those expenses that a reasonable and prudent person would incur if traveling on official business.**

Due consideration should be given to such factors as suitability, convenience, and the nature of the business involved. Travel expenses are reimbursable for officers or employees travel on official business of the City and County, subject to the allowances discussed below.

**Definition:**

To constitute “**official business** of City and County of San Francisco”, the activities of an officer or employee of the City and County of San Francisco must clearly demonstrate that there is a valid City and County interest to be served or gained through the travel; and there is:

- a. Relevance to City and County operations or the individual's role in such operations; and/or
- b. The promotion or development of City and County programs, methods or administration; and/or
- c. Compliance with instructions or authorization of the Mayor or Board of Supervisors.

**Travel Expenses** include lodging, transportation costs, registration or attendance fees, subsistence costs and other costs reasonably and necessarily incurred that are paid for by the City and County, or by the officer or employee subject to reimbursement by the City and County, when an officer or an employee is required to travel on official City and County business. Department Heads should only allow travel that is clearly anticipated in their approved budget. Complete expense reimbursement requests or travel liquidations must be fully supported by receipts and forwarded to the Controller within 10 days following the occurrence. *Employees and officials are responsible for cancellation of lodging and transportation if travel is cancelled or postponed, to ensure that the City will not be liable for any costs.* Reimbursements will be denied if documentation is incomplete.

### **Use of Personal Vehicle & Mileage Reimbursement Rates**

In accordance with Section 10.28-1 of the San Francisco Administrative Code, the mileage rate for payments to officers and employees for use of privately owned automobiles in connection with any official duty or service shall be at the rate established by the Controller. **Effective January 1, 2005, the IRS standard mileage rate for business use of an automobile is 40.5 cents per mile, and the Controller adopts this rate for use.**

**Transportation:** Departments will be expected to contract for the lowest published routine fare for travel by the **most efficient, direct and economical mode of transportation** required by the occasion. Departments may book their air or rail travel with travel agencies approved by Purchasing. Departments will be charged for the airfare if booking is made with the City's travel agencies; alternatively, if employees make their own arrangements, they will have to pay first and request reimbursement, unless other arrangements are made. If an alternative mode of transportation is selected, the allowable cost shall be the lower of the actual cost of alternative modes of transportation or the lowest regular fare available for regularly scheduled airlines for the date and time selected. Parking fees are allowable costs if original receipts are submitted with reimbursement requests.

**Lodging:** The most economical and practical accommodations available considering the purpose of the meeting, and other relevant factors will be reimbursed. For travel within the United States, the Federal maximum rates for lodging will be used as a guide. To stay within the maximum rates, conference discount rates and "government rates" should be used whenever possible. If conference-lodging rates exceed the Federal rate, actual expenses will be reimbursed when documentation of the conference lodging rate and a receipt are provided. ***An itemized hotel bill is always required for reimbursement to be made.*** *Lodging for travel within the local commuting area requires additional justification. For the City and County of San Francisco, local commuting area is defined as within the nine Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.* In order for lodging expenses to be allowable for persons other than the officer or employee, the Department Head must certify that such expenditures are for a public purpose and necessary for the conduct of City and County business. If there is any confusion on the applicability of this section, please obtain prior written approval of the Controller.

Federal domestic and foreign lodging, maximum travel per diem allowances, meals and incidental expense breakdown are available from the following website:

Double click here for access to **[U.S. General Services Administration](http://www.gsa.gov)** at **<http://www.gsa.gov>**

**Meals and Adoption of the Federal Meal and Incidental Expenses (M&IE) Rate:** The Federal rate for meal and incidental expenses (M&IE) will be paid without itemization of expenses or receipts. If an officer or employee chooses to request specific reimbursement for meals in excess of the per diem rate, that will be allowed with appropriate documentation. ***Even with receipts, the maximum reimbursement for business-related meals will be limited to double the amount of the Federal M&IE rate.***

In order for meal expenses to be allowable for persons other than the officer or employee, the Department Head must certify that such expenditures were for a public purpose and necessary for the conduct of City and County business. The reimbursement request must specify the name(s) and organization(s) of the person(s) hosted, the nature of City and County business and cite the specific budget line item, which provides for such expenditures. Typically, an officer or employee will not receive reimbursement for hosting another officer or employee of the City and County unless they are hosting a larger group of guests. **Travel in the local commuting area does not typically qualify for the per diem reimbursement, e.g. attending conferences.**

**Federal Meal & Incidental Expense (M&IE) Rate Chart:** When a per diem reimbursement is requested for part of a day, please use the rates in the following chart to determine meal reimbursements. For example, if one or more meals are included as part of a conference registration fee, you should only charge the remaining meals and incidental expense rate from the chart below. Each city in the Federal rate guide has a dollar value for the full day depending on the relative cost of meals in that jurisdiction. Once you obtain the total dollar value, you can refer to this table to determine the rates for each meal:

**Federal Domestic Meal & Incidental Expense (M&IE) Rates Effective October 1, 2004**

M&IE RATE (FULL DAY)	\$31	\$35	\$39	\$43	\$47	\$51
Breakfast	\$ 6	\$ 7	\$ 8	\$ 9	\$ 9	\$10
Lunch	\$ 6	\$ 7	\$ 8	\$ 9	\$11	\$12
Dinner	\$16	\$18	\$20	\$22	\$24	\$26
Incidentals	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

**Other Expenses:** Other expenses deemed necessary and reasonable as determined by the Controller include ground transportation (to or between the officer or employee's **work site** and airport, bus station, train depot and the meeting or lodging site and return); and other costs associated with and incurred in the performance of City and County business while in travel status. This includes parking fees, bridge tolls, necessary business telephone charges, copying charges, and business-related internet access. These expenses are to be reviewed by the Department and only approved if deemed reasonable and proper. **Original receipts are required** for all other travel and official expenses related to official City and County business (with the exception of Toll/Bart/Muni/parking meter/public telephone costs which are reimbursable without receipts). **Reimbursements will not exceed the necessary and reasonable amount as determined by the Controller.** If there is any question about these provisions, please obtain authorization in advance of the travel to ensure that reimbursement above these rates will be forthcoming.

These regulations shall apply to all expenditures in the performance of official City and County business **except**:

1. Cost of extradition of prisoners by sworn peace officers which are subject to regulations imposed by the State.
2. Travel costs incurred by judges and employees of Superior and Municipal Courts. However, such travel will be subject to rules and regulations adopted by the Courts and approved by the Controller.
3. Any travel or related expenses incurred which are subject to reimbursement from Federal or State grants when such grant specifically provides for reimbursement under applicable Federal and State regulation and is more restrictive than the City and County guidelines.
4. Any travel or related expenditures for a Department, Board or Commission, or subunit thereof, which may be specifically exempted by action of the Board of Supervisors by Ordinance.
5. Any particular travel expense or reimbursement rate for represented Officers or employees that is specifically addressed in a ratified Memorandum-of-Understanding (MOU) agreement or arbitration award with a recognized employee organization.

**Non-Allowable and Non-Reimbursable Costs:** The following items will not be reimbursed unless highly unusual circumstances have occurred:

Type	Examples
Travel/Transportation	<ul style="list-style-type: none"> <li>• Unjustified car rental and/or upgrade of mode of transportation.</li> <li>• Unjustified employee parking &amp; cab fare to meetings locally.</li> <li>• Auto/flight insurance.</li> <li>• Parking/moving violation tickets or other penalties for infractions of any law, repair of automobiles and towing charges.</li> <li>• Passport application fees.</li> <li>• Unjustified cancelled travel tickets and change/cancellation costs.</li> </ul>
Lodging	<ul style="list-style-type: none"> <li>• Unjustified upgrade of hotel/room.</li> <li>• Payment for accommodation with friends/relatives.</li> <li>• Unjustified lodging during training/meetings within the 9 Bay area counties.</li> <li>• Hotel movies.</li> </ul>
Meals	<ul style="list-style-type: none"> <li>• Unjustified meal expenses in lieu of conference provided meals.</li> <li>• Alcoholic beverages.</li> </ul>
Other Expenses	<ul style="list-style-type: none"> <li>• Boarding cost of pets and children during business travel.</li> <li>• Damaged or stolen personal or City properties due to employee's negligence.</li> <li>• Decorations for non-business related events.</li> <li>• Excessive personal phone calls from hotels when traveling.</li> <li>• Flowers/ greeting cards/ gifts.</li> <li>• Personal laundry/dry clean.</li> <li>• Significantly large tips.</li> </ul>