



TRAVEL AND EXPENSE REIMBURSEMENT FOR ELECTED AND APPOINTED OFFICIALS

POLICY

Consistent with the City's Code of Ethics and Values, the City of Santa Clara is fiscally responsible and endorses the proper use of City assets to help ensure the City's fiscal stability. To that end, and to comply with state law AB 1234, the City will reimburse elected and appointed officials only **for actual and necessary expenses** incurred in the course of the official's duty.

In order to control and properly account for expenditures made by officials in the course of their official duties, only the authorized expenses listed in the attached Exhibit A, "City of Santa Clara City Council Travel and Expense Reimbursement Policy," may be reimbursed, unless pre-approval of a particular type and cost of an expense is received from the City Council. Any questions regarding the appropriateness of a particular type of expense should be resolved by the City Council before the expense is incurred. Examples of non-reimbursable expenses include personal expenses, charitable/political contributions, entertainment expenses, and expenses for family members.

In order to conserve City resources and keep expenses within community standards for public officials, expenditure amounts should adhere to the guidelines set forth in Exhibit A. Expenses that exceed these guidelines will be reimbursed only to the maximum extent of the guidelines.

On occasion, a cash advance may be necessary to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Auditor 10 days prior to the need for the advance with the following information: the purpose of the expenditure(s); the benefits of such expenditure to the residents of the City; the anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and the dates of the expenditure(s).

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted to the City Clerk on an expense report form provided by the City, accompanied by receipts documenting each expense. Expense and mileage reports must document that the expense in question meets the requirements of this policy. Inability to provide such documentation in a timely fashion may result in the expense



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being borne by the official. All expenses are subject to review and verification by the City Manager and City Auditor for compliance with this policy and eligibility for reimbursement.

City officials must file a written or oral report at the meeting of their elected or appointed body which immediately follows any conferences, educational seminars, meetings with legislators or other governmental officials, or any other meeting attended at City expense. If multiple officials attended, a joint report may be made.

PROCEDURE

1. Prior to incurring expenses, review policy to ensure proposed expenses are allowed under the Travel and Reimbursement Expense Policy. If needed, obtain pre-approval from City Council. The Travel and Reimbursement Expense Policy and necessary expense reporting forms are available from the City Clerk. Staff will coordinate the submittal of forms with the official.
2. If a cash advance is required, submit request for advance to the City Clerk 10 days prior to the need for the advance with the following information: the purpose of the expenditure(s); the benefits of such expenditure to the residents of the City; the anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and the dates of the expenditure(s).
3. Any unused advance must be returned to the City Clerk within two (2) business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.
4. For all other travel and expense reimbursements, within fourteen (14) calendar days of an expense being incurred, submit to the City Clerk an expense report form, accompanied by receipts, documenting the amount and purpose of each expense and how it meets the requirements of this policy. For example, if the meeting is with a legislator, the official should explain whose meals were purchased, what issues were discussed and how those relate to the City's adopted legislative positions and priorities.



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5. Prior to or at the official's next regular meeting immediately following the travel, submit a written or oral report on the conference or meeting attended. Written reports should be addressed to the City Manager, and a copy retained in Council Offices or by commission staff liaisons as appropriate.
 - Written reports from Council Members do not need to be placed on the Council agenda but instead should be referred to under the standing item "Reports of Councilors and Special Council Committees." Oral reports should also be given under this same agenda item.
 - Oral and written reports from Board and Commission members should be reflected in the commission minutes.

Reference:

Exhibit A, "City Council Travel and Expense Reimbursement Policy" as amended 05/10/11

Resolution 07-7407, adopted 05/22/07 adopting Exhibit A, "Council Travel and Expense Reimbursement Policy"

Resolution 10-7710, adopted 03/24/10 amending Exhibit A, "Council Travel and Expense Reimbursement Policy"

Resolution 11-7849, adopted 05/10/11 amending Exhibit A, "Council Travel and Expense Reimbursement Policy"

EXHIBIT A
CITY OF SANTA CLARA CITY COUNCIL
TRAVEL AND EXPENSE REIMBURSEMENT POLICY

A. Policy.

The City Council of the City of Santa Clara is fiscally responsible, and endorses the proper use of City assets to help ensure the City's fiscal stability. To that end, and to comply with state law, the City reimburses elected and appointed officials only for actual and necessary expenses incurred in the course of the official's duty. Therefore, City resources, including but not limited to City funds, cars, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized City business.

Moreover, in order to control and properly account for expenditures made by officials in the course of their official duties, unless pre-approval of a particular type and cost of an expense is received from the City Council, only the authorized expenses in this policy may be reimbursed.

B. Authorized Expenses.

Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on City adopted policy positions;
2. Attending educational seminars designed to improve officials' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the City's interests;
4. Recognizing service to the City (for example, thanking a longtime employee with a retirement gift or celebration event of nominal value and cost);
5. Attending events outside of City limits;
6. Transportation from City Hall to any authorized or required meeting, event or activity and from the location of the meeting, event or activity to City Hall. Mileage shall be calculated between City Hall and the required meeting, event or activity, or the official's location and the required meeting, event or activity, whichever is less;
7. Any expenditure pre-approved by the City Council at an open and public meeting;
8. Travel expenses incurred in traveling to the City from outside the City for a special meeting of the Council that is called with less than one week's notice to a maximum reimbursement of \$250. Reimbursement shall be at the approved annual mileage rate.

which is the current IRS mileage rate for reimbursement.

9. Notwithstanding the provisions of section B.6 above, mileage expenses to and from any meeting, event or activity within the City attended by an elected official in connection with his or her official duties from such official's principal place of employment, is an authorized expense, provided the principal place of employment is within Santa Clara County.

The following expenses require governing body approval prior to incurrence of the expense:

- a. Attendance at conventions, conferences, meetings, or other functions in an individual's capacity as council member or member of a board or commission;
- b. International and out-of-state travel; and,
- c. Expenses exceeding \$250.00 per trip.

C. Non-Authorized Expenses.

Any questions regarding the propriety of a particular type of expense should be resolved by the City Council before the expense is incurred. However, in general, examples of personal expenses that the City will not reimburse include, but are not limited to:

1. The personal portion or expenses of any trip, e.g. expenses that are not directly related to City purposes;
2. Political or charitable contributions or events;
3. Family or guest expenses, including partner's expenses when accompanying the official on agency-related business, as well as child or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
6. Personal losses incurred while on City business; and,

D. Cost Control.

To conserve City resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the City will be limited to the costs that fall within the guidelines.

1. Transportation.

The most economical mode and class of transportation reasonably consistent with scheduling needs should be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed under this provision if it is more economical than other forms of transportation. Rental vehicles may only be used for City-related business purposes. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation. Government and group rates must be used when available, and that is the lowest rate for the particular expense.

- a. **Airfare.** Airfares that are the basis of advance-purchase economy class airfare are preferred.
- b. **Automobile.** Automobile mileage is reimbursed at Internal Revenue Service (IRS) rates presently in effect as stated in the Rates published annually by the City Clerk, or roundtrip airfare consistent with the above-stated policy, whichever is lower. These IRS rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses for rental vehicles will be reimbursed.
- c. **Car Rental.** It is not the policy of the City to provide rental vehicles for attendees at conferences, seminars or meetings unless absolutely unavoidable. If a rental car is necessary, only economy car models may be rented, unless an upgrade to a higher class of model is made at no cost to the City.
- d. **Taxi/Shuttle.** Taxi or shuttle fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fare is equal or less than the cost of car rental, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

2. Lodging.

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay.

- a. **Conferences/Meetings.** If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. A copy of the registration material listing the cost of single-room accommodations at the conference hotel should be attached to the Travel Request Report along with the hotel bill. If the group rate is not available, see next section.
- b. **Other Lodging.** Travelers must request the lowest rate available, whether that rate is a government rate or other special rate. In the event that government rates

or special rates are not available at a given time or in a given area, lodging rates that do not exceed the IRS per diem rates for a given area are presumed reasonable and hence reimbursable.

3. Meals.

Reimbursable meal expenses and associated gratuities will not exceed the rates set forth in the Meal Reimbursement Rates, published annually by the City Clerk. Reimbursement for non-conference connected meals shall be limited, on a per diem basis, to the total amount authorized in such Policy. If the conference provides meals, the amount allowed under the Policy for those meals will be deducted from the total authorized daily maximum. Only actual meal costs will be reimbursed, and shall not exceed the limitations of the Policy. The City will not pay for alcohol, personal bar expenses, or the premium added to room service meals. Original receipts are required for all expenditures.

4. Telephone/Fax/Cellular.

Officials will be reimbursed for actual telephone and fax expenses incurred on City business. Telephone bills should identify which calls were made on City business. For cellular calls when the official has a particular number of minutes included in the official's plan, the official must identify the percentage of calls made on public business. Personal telephone calls will not be reimbursed, with the exception of one hotel surcharge for one personal call per day.

5. Internet Use.

Officials will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for City-related business.

6. Airport Parking.

Long-term parking must be used for travel exceeding twenty-four (24) hours.

7. Other.

Gratuities of up to 20 percent for taxi and shuttle drivers and restaurant wait staff will be reimbursed. Expenses for which City officials receive reimbursement from another agency are not reimbursable.

8. Cash Advance Policy.

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Auditor 10 days prior to the need for the advance with the following information: the purpose of the expenditure(s); the benefits of

such expenditure to the residents of the City; the anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and the dates of the expenditure(s).

Any unused advance must be returned to the City treasury within two business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

E. Credit Card Use Policy.

City credit cards may not be used for personal expenses, even if the official subsequently reimburses the City.

F. Expense Report Content And Submission Deadlines.

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the City. This form shall include the following advisory:

“All expenses reported on this form must comply with the City’s policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the City’s policies may include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.”

Expense and mileage reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the official should explain whose meals were purchased, what issues were discussed and how those relate to the City’s adopted legislative positions and priorities.

Officials must submit their expense reports to the City Clerk on City-approved forms within fourteen (14) calendar days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation. Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

G. Audits of Expense Reports.

All expenses are subject to review and verification by the City Manager and City Auditor for compliance with this policy and eligibility for reimbursement. The City Manager and/or City Auditor may request further information to substantiate any expense, and each official should use their best efforts to comply with such requests.

H. Cash Refunds or Discounts.

Any cash refund or discount received for the use, conversion, or exchange of travel tickets or lodging accommodations, etc., paid for by the City must be remitted to the City at, or prior to, the time the applicable expense report is submitted to the City.

I. Reports to Elected or Appointed Body.

City officials must file a written or oral report at the meeting of their elected or appointed body which immediately follows any conferences, educational seminars, meetings with legislators or other governmental officials, or any other meeting attended at City expense. If multiple officials attended, a joint report may be made. The report may be made orally or in writing.

J. Compliance with Laws; Public Records.

City officials should keep in mind that expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures and reimbursement requests are public records subject to disclosure under the Public Records Act and other applicable laws.

K. Violation of This Policy.

Under state law, use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges; 2) a demand for restitution to the City; 3) the agency's reporting the expenses as income to the elected official to state and federal tax authorities; 4) civil penalties of up to \$1,000 per day and three times the value of the resources used; and, 5) prosecution for misuse of public resources.