

A RESOLUTION ADOPTING POLICIES WITH RESPECT TO EMPLOYEE EXPENSE REIMBURSEMENT, REPEALING RESOLUTION NO. 5-2003 AND DECLARING AN EMERGENCY

WHEREAS, the Village of Richfield has reviewed the current employee expense reimbursement policies; and

WHEREAS, clarification was needed on several items and requested by the Administration.

SECTION 1. That the attached, see Exhibit A, is hereby adopted as the expense reimbursement travel policy effective August 1, 2015 for all employees of the Village of Richfield.

SECTION 2. That Resolution No. 5-2003, as it existed prior to August 1, 2015, be, and the same herby is, repealed effective August 1, 2015.

SECTION 3. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to be effective August 1, 2015; wherefore provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect August 1, 2015; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 7-21-15



President of Council



Mayor

ATTEST:

Dated: 7-21-15



Clerk of Council

Employee Expense Travel Reimbursement Policy

BACKGROUND

The Internal Revenue Service (IRS) and the State Auditor requires all expenses which are to be reimbursed by the employer to be substantiated. This requires employees to obtain receipts or invoices for all expenditures for which the employee seeks to have reimbursed. Failure to submit receipts or invoices with the Travel Expense Form will result in the denial of reimbursement.

POLICY

The following guidelines will govern Village business related expenses, what is acceptable, and the process for non-taxable reimbursement to the employee.

Professional Meetings and Training

- A. All travel is to be approved first by the Department Supervisor and then by the Mayor prior to any purchase or travel by completing a travel request form.

Expenses

- A. Purchase order numbers must be obtained for reimbursement of expenses before the travel begins or costs are incurred.
- B. Reimbursement for any travel related expenses must be submitted within 45 days after it is paid or incurred.
- C. Travel related meal reimbursements shall not be made for day trips or for travel within a 100 mile radius of the Village. Exceptions may be permitted upon approval of the Mayor.
- D. Travel related expense advances will not be given under any circumstance.
- E. Detailed itemized receipts will be required for all travel related expenses.
- F. The following items are acceptable expenses when itemized receipts are provided upon the employee's return: taxi fares to and from the destination's airport and/or hotel; airport parking at the departing airport; parking costs at the hotel or conference center; and rental cars only when approved in advance.

Meals/Food

- A. Incidental snacks and drinks are a personal expense and will not be reimbursed.
- B. The Village cannot reimburse for alcoholic beverages.
- C. Any non-allowable purchases should be made on a separate receipt. (Example: Alcoholic beverages)

- D. When registration to a conference includes meals, employees will not be reimbursed for those same meals separately. A conference schedule must be submitted with the "Travel Request Form".
- E. If employee lodging includes complimentary hot meals, reimbursement will not be paid for meals that could have been obtained for free.
- F. The maximum allowable reimbursement per day with receipts will be as follows:

- a. Breakfast \$10.00
- Lunch \$15.00
- Dinner \$25.00

b. Day of departure:

Day of return:

Breakfast	\$10.00 (before 9 am)	\$10.00 (after 9 am)
Lunch	\$15.00 (before 2 pm)	\$15.00 (after 2 pm)
Dinner	\$25.00 (before 7 pm)	\$25.00 (after 7 pm)

- c. If an employee spends more than the allotted amount per meal and has receipts to document the expenses, the employee will still only be reimbursed at the above rate schedule.
- G. Employees should exercise the same care in incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds.
- H. Original itemized receipts will be required for reimbursement.
- I. Tips may be reimbursable with an itemized receipt up to 15% of the reimbursable costs.
- J. Business meals must be approved by the Mayor and must be substantiated as to the people in attendance, amount, time, place and business purpose of discussion.

Transportation

- A. Village vehicle or personal vehicle is the primary form of transportation.
- B. Air travel within the State of Ohio is not authorized.
- C. Air travel outside the State of Ohio is authorized only with preapproval of the Mayor.

Mileage Reimbursement

- A. All attempts should be made to use a Village vehicle for travel.
- B. In the event that a Village vehicle is not available, an employee may be reimbursed for mileage with prior approval of first the Department Supervisor and then the Mayor.
- C. No reimbursement for mileage will be made without proper approval granted prior to travel.
- D. A mileage reimbursement form must be completed in full and submitted. This includes the date of travel, business purpose, destination, and beginning and ending odometer readings.
- E. Mileage will be reimbursed at the Standard Federal Mileage Rate in effect at the time the travel occurred.
- F. Personal commuting between the employee's residence and place of work is considered personal use and will not be reimbursed. If attending an alternate work

site, the regular personal commuting distance to and from the site will not be reimbursed.

Lodging

- A. Overnight lodging is permitted if the seminar or conference is more than one day AND more than 100 miles from the Administrative Building.
- B. Other overnight lodging may be permitted upon approval of the Mayor.
- C. In the event of an employee being away for more than one week (including a weekend), miscellaneous expenses such as laundry and dry cleaning will be reimbursed if a receipt is submitted.
- D. No reimbursements will be made for lodging-related entertainment, including but not limited to: movies, social or athletic activities, or alcoholic beverages.
- E. Hotel accommodations should be what a prudent person would exercise. The government rate should be secured (if offered) if better than the conference sponsored rate. A \$165.00 per day/room limit will be allotted; no exceptions (i.e., in excess of \$165.00 rate) will be reimbursed unless reviewed and approved by the Mayor prior to travel. Hotel reservations shall be made with the Village's credit card, not the employee's personal credit card. Hotel reservations should be arranged with the assistance of the Department Supervisor. Prior to making hotel reservations, competitive hotel rates/quotes should be obtained from at least three (3) hotels/motels and submitted to the Department Supervisor. Hotel receipts and the credit card will need to be turned in to the Department Supervisor upon returning from travel.
- F. The employee will be required to utilize a "blanket certificate of exemption" to have the state sales tax exempted from the room charge.
- G. An employee who doesn't furnish the hotel receipt (or any other receipt) that has been charged on the Village's credit card will be charged on their W-2 as a non-accountable fringe benefit.

Reimbursement Process

- A. To be reimbursed, the employee must complete a "Travel Expense" form listing all of the expenses that are requested for reimbursement.
- B. Itemized receipts must be attached to the "Travel Expense" form.
- C. The employee must sign the "Travel Expense" form.
- D. The employee must submit the completed "Travel Expense" form to the Department Supervisor for initial approval. Final approval is subject to the review of the Finance Department and Mayor.
- E. Employees will be held responsible for unauthorized cost and additional expenses incurred for personal preference or convenience.

TO: Mayor Bobbie Beshara, Village Council, Carolyn Sullivan, Bill Hanna

FROM: Sandy Turk, Finance Director

RE: Resolution 34-2015 Employee Expense Travel Reimbursement Policy for May 19, 2015 Council Meeting

Date: May 13, 2015

ACTION BEING REQUESTED	TYPE OF REQUEST
First Reading	Resolution

Resolution No.34 -2015 is being submitted for first reading at the May 19th Council meeting. We have clarified several aspects and updated some provisions of the previous version of the employee expense travel reimbursement policy. Here are a few highlights of the changes:

- Receipts must be submitted within 45 days after they have been paid or incurred;
- Expense advances will not be permitted;
- Detailed itemized receipts are required;
- Meals are going up from \$35.00 to \$50.00 per day;
- Meals are broken out individually;
- Tips may be reimbursable with an itemized receipt up to 15% of reimbursable costs;
- Air travel within the state of Ohio is not authorized;
- Overnight lodging is permitted if the seminar or conference is more than one day AND more than 100 miles from the Administrative Building;
- A \$165.00 per day/room limit for hotel accommodations;
- Employee will be required to utilize a "blanket certificate of exemption" to have the state sales tax exempted from the room charge;
- Employee must use a "Travel Expense" form;

A survey was conducted of several communities and recommendations were made using the data.

Second and third readings can take place in June and July with approval of the Resolution taking place in July.

Please let me know if you have any questions.

Attachment