

City of Saratoga Expense Reimbursement Policy for Elected and Appointed Officials

I. Purpose

The City of Saratoga takes its stewardship over the use of its limited public resources seriously. This policy provides guidance to elected and appointed officials on the use and expenditure of City resources, as well as the standards against which those expenditures will be measured.

II. General

A. City resources should be used only when there is a benefit to the City, including:

- The opportunity to discuss the community's concerns with state and federal officials and representatives of other local governments in the region;
- Participating in regional, state and national organizations whose activities affect the City;
- Attending educational seminars designed to improve officials' skill and information levels; and
- Promoting public service and morale by recognizing such service.

II. Authorized Expenses

A. City funds, equipment, supplies (including letterhead), and staff time must only be used for authorized City business. 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 of nominal value and cost);

5. Attending City events; and
6. Implementing a City-approved strategy for attracting or retaining businesses to the City, which will typically involve at least one staff member.

III. Pre-approval of Expenses

- A. Pre-approval of expenses to be incurred is not required except that the following expenses require prior Mayoral approval:
 1. International and out-of-state travel;
 2. Expenses (other than related to events sponsored by the California League of Cities) exceeding \$250 per trip or event; and
 3. Expenses not related to Section II. A.1 through A.6 but which nonetheless will offer substantial benefit to the City.

Any expense pre-approval that is denied by the Mayor may be approved by the City Council. Travel or expenses (other than related to events sponsored by the California League of Cities) exceeding \$1200 per trip or event must be approved by the City Council.

IV. Non-authorized Expenses

- A. Examples of personal expenses that the City will not reimburse include, but are not limited to:
 1. The personal portion of any trip;
 2. Political or charitable contributions or events;
 3. Family expenses, including partner's expenses when accompanying official on agency-related business, as well as children- 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; and
 6. Personal losses incurred while on City business.
- B. Any questions regarding authorization of a particular type of expense should be resolved by the approving authority before the expense is incurred.

V. Cost Control

- A. 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

- a. The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route.
- b. Charges for rental vehicles may be reimbursed under this provision if it is determined that using a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of other forms of transportation. Government and group rates must be used when available.

2. Airfare

- a. Airfares that are equal to or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities (<http://www.cacities.org/travel>), the California State Association of Counties (<http://www.csac.counties.org/default.asp?id=635>) and the State of California are presumed to be the most economical and reasonable for purposes of reimbursement under this policy.¹

3. Automobile

- a. Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (see <http://www.irs.gov>). These 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.
- b. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed.

¹Those rates can be accessed from the state's website without being a member of these programs by going to <http://www.catravelmart.com/default.htm> and clicking on "Discount Travel Fares for Official Business."

4. Car Rental

- a. Rental rates that are equal or less than those available through the State of California's website (<http://www.catravelmart.com/default.htm>) shall be considered the most economical and reasonable for purposes of reimbursement under this policy.

5. Taxis/Shuttles

- a. Taxis or shuttles fares may be reimbursed, including a fifteen (15%) percent gratuity per fare, when the cost of such fares is equal to or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

6. Lodging

- a. When travel on official City business reasonably requires an overnight stay, lodging expenses will be paid for or reimbursed.

7. Conferences/Meetings

- a. If lodging is in connection with a conference, expenses must not exceed the group rate published by the conference sponsor, if such rates are available at the time of booking. If the group rate is not available, the policy in the following section "Other Lodging" shall apply.

8. Other Lodging

- a. Travelers must request government rates, when available. A listing of hotels offering government rates in different areas is available at <http://www.catravelmart.com/loqguideframes.htm>. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence reimbursable for purposes of this policy.
- b. In the event that government 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.²

² See Publication 1542 at www.irs.gov or www.policyworks.gov/perdiem). The site also has references to hotels that have government rates at or below Internal Revenue Service per diem limits. For example, for 2006, the standard per diem rate for lodging in the continental United States is \$60. However the rate for the San Francisco area (as defined) is \$130.

9. Meals

- a. Reimbursable meal expenses and associated gratuities will not exceed a total of \$60.00/day.
- b. Meal reimbursement amounts will be annually adjusted to reflect changes in the cost of living in accordance with statistics published by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for the Saratoga area. (The annual adjustment will be based on the Saratoga area whether travel is within the area or not.)

10. Telephone/Fax/Cellular

- a. 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.
- b. For cellular calls, when the official has a particular number of minutes included in the official's plan, the official can identify the percentage of calls made on public business.

11. Internet

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

12. Airport Parking

- a. Officials will be reimbursed for airport parking related to City business-related travel.
- b. Long-term parking must be used for travel exceeding 24-hours. Where practical, an airport shuttle should be used if the cost of the shuttle to and from the airport would be less than the anticipated cost of long term parking.

13. Other

- a. Baggage handling fees of up to \$1.00 per bag and gratuities of up to fifteen (15%) percent will be reimbursed.
- b. Expenses for which City officials receive reimbursement from another agency are not reimbursable.

VI. Cash Advance Policy

- A. 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.
- B. A "Cash Advance" form should be submitted to the City Manager or the City Manager's designee ten (10) business days prior to the need for the advance. (Sample -- Appendix "A").
- C. Any unused advance must be returned to the City treasury within two (2) business days of the official's return.
- D. In the event the City Manager is uncertain as to whether a request complies with this policy, the requestor must seek resolution from the Mayor.

VII. Credit Card Use Policy

- A. The City of Saratoga does not issue credit cards to individual office holders but does have a Cal Card it makes available for selected City expenses.
- B. Officials may use the City's Cal Card for purposes such as airline tickets and hotel reservations that would be eligible for reimbursement pursuant to this policy.
- C. The Cal Card may not be used for personal expenses even if the official intends to reimburse the City for those expenses.

VIII. Expense Report Content and Submission Deadline

- A. All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an "Expense Report" form (Sample -- Appendix "B") within thirty (30) days of an expense being incurred. The form must be accompanied by receipts documenting each expense. Notwithstanding the foregoing, expenses incurred between January 1 and June 7, 2006 may be claimed any time before July 30, 2006.
- B. Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed and how those relate to the City's adopted legislative positions and priorities.
- C. Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

IX. Audits of Expense Reports

- A. All expenses are subject to verification that they comply with this policy.

X. Reports to City Council

- A. Following an event for which a reimbursement claim has or will be submitted, the official seeking reimbursement shall, at the next regular City Council meeting (or at an earlier special meeting if practical), briefly report on the event. If multiple officials attended, a joint report may be made.

XI. Compliance with Laws

- A. City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.
- B. This policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.
- C. This policy also supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws.

XII. Violation of This Policy

- A. 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 City reporting to state and federal tax authorities that the official's expenses are income;
 - 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.

Appendix "A"
City of Saratoga
Cash Advance Request

Please submit Cash Advance Requests ten (10) days in advance.

Any unused advance must be returned to the City within two (2) business days of your return.

Purpose of expenditure: _____

Benefits of expenditure to City residents: _____

Anticipated expenditure(s)

Date	Item	Amount
	Accommodations	
	Meals	
	Transportation	
	Conference Fees	
	Other (Please Describe)	
	TOTAL	

Approvals _____
 City Manager

Date: _____

 Mayor

Date: _____

NOTE: In the event the City Manager is uncertain whether a request complies with the Expense Reimbursement Policy, the Mayor must review and approve the request.

Appendix "B"
City of Saratoga
Expense Report Form

NAME: _____

DATE: _____

SIGNATURE: _____

DATE	EXPENSE DESCRIPTION (Airfare, Car Rental, Taxis/Shuttles, Lodging, Conference/Meeting Fees, Meals, Phone/Fax, Internet, Parking, Baggage handling, tolls, other)	METHOD OF PAYMENT (Cash Advance, Cal Card, Personal Payment)	AMOUNT
TOTAL EXPENSES		<i>PLEASE ATTACH ORIGINAL RECEIPTS</i>	

MILEAGE

	PURPOSE	FROM	TO	MILEAGE
TOTAL MILEAGE				

Approvals: _____
 City Manager

_____ Date

_____ Mayor

_____ Date

NOTE: International and out-of-state travel, expenses exceeding \$250.00 per trip and some other expenses must be pre-approved by the Mayor. Please consult the Expense Reimbursement Policy.

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 include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.