

**FINANCE MEMORANDUM
#2-2023**

DATE: Feb. 27, 2023
TO: Honorable Mayor Meredith Leighty and City Council Members
THROUGH: Heather Geyer, City Manager *hmg*
FROM: Jason Loveland, Director of Finance *JL 2*
SUBJECT: Colorado Municipal League Conference Lodging

PURPOSE

To discuss the hotel accommodation provision in the Council Travel Policy.

BACKGROUND

On Aug. 24, 2020, City Council adopted the attached Council Travel Policy. The policy establishes guidelines concerning the eligibility and payment of training and travel expenses incurred while conducting City business.

The 2023 Colorado Municipal League (CML) annual conference is being held June 25-28 at the Gaylord Rockies Resort & Convention Center in Aurora, CO. The conference provides an opportunity for elected officials from around the state to learn, network, and exchange ideas.

Under the Council Travel Policy, the conference location would not be an eligible expense as the location is less than 35 miles from City Hall. Per the policy, deviations from the "Eligible Business Expenses" list should be discussed with the Finance Director prior to incurring the expense. This item is being brought forward for Council discussion, as members may wish to stay at the location and not commute to their homes each night.

BUDGET/TIME IMPLICATIONS

In 2023, each Council member has a \$7,000 budget for training and travel related expenses. The CML conference room rates range from \$254 to \$304 per night.

STAFF RECOMMENDATION

Staff is seeking Council consensus to allow an exception to the hotel accommodation provision for the 2023 CML conference.

STAFF REFERENCE

If Council members have any questions, please contact Jason Loveland, Director of Finance, at jloveland@northglenn.org or 303.450.8817.

ATTACHMENT

1. Council Travel Policy



Travel Policy

Revised May 1999	Resolution No. 99-31
Revised June 2001	Resolution No. 01-41
Revised February 2002	Resolution No. 02-28
Revised February 2003	Resolution No. 03-11
Revised March 2006	Resolution No. 06-50
Revised December 2020	Resolution No. 10-150
Revised January 2012	Resolution No. 12-04
Revised February 2017	Resolution No. 17-22
Revised August 2020	Resolution No. 20-118

CITY OF NORTHGLENN COUNCIL TRAVEL POLICY

Purpose

The purpose of this policy is to establish guidelines concerning the eligibility and payment of training and travel expenses incurred while conducting City business.

It is the City's policy to directly pay for most business expenses such as registration fees, hotel accommodations, flights and hosted meals prior to the events. In some instances, eligible expenses may be incurred by a Council member that will require reimbursement. The process for requesting a reimbursement and the treatment of business expenses is explained on the following pages.

Available Funds

Funds for Council training and travel are budgeted annually with equal amounts allotted to each Council member. Should a Council member find a need to exceed their designated budget, they will notify the entire Council via City email or through a communication at a public meeting with a request for additional funds. Council members may allocate all, or a portion, of their allotted budget to another member. Only upon the granting of additional funds from another Council member may the additional expenses be incurred.

If a Council member does not use their allotted funds by the end of the fiscal year, remaining funds will be forfeited to the General Fund for future re-appropriation through the annual budget process.

Eligible Business Expenses

The Mayor and Council may incur training and travel expenses as a result of City business, within and outside of the state. It will be the Council member's responsibility to justify the business purpose of expenses incurred. Outlined below is a list of eligible business expenses subject to this policy. Deviations from this list should be discussed with the Finance Director prior to incurring the expense.

- A. Meeting, conference and seminar registration fees and associated supplies and materials.
- B. Hotel accommodations when traveling outside of the state, or where an overnight stay is required for an in-state conference located more than 35 miles from City Hall.
- C. Mileage will be paid at the rate established by the IRS for destinations located more than 35 miles away from City Hall. Rental cars are allowable during out of town conferences, provided the cars are used for business purposes only.
- D. Parking fees, including those charged by hotels when staying overnight.
- E. Meals that are not included in the cost of registration for meetings, conferences, seminars and events. Attendees have the option of receiving per diem or actual expense incurred. Gratuity is not to exceed 20% when being reimbursed for actual costs.
- F. Spouse/guest - In the event that a spouse or guest is normally invited to attend a function, the City will reimburse for those costs, **excluding** the spouse's or guest's travel costs. A function is defined as any event to which the Council member and a guest or spouse are

invited to attend such as recognition events, award events and banquets.

G. Impermissible use of City Funds

1. No personal purchases shall be made
2. No purchase of alcohol or alcoholic beverages
3. No costs associated with any political event or charity
4. No expenses associated with entertainment, including but not limited to, theater events, movies, sporting events, and personal recreation, such as golfing, spa treatments or fitness related
5. No personal memberships

Sales tax is not to be charged on any purchase made in the State of Colorado. The City's tax-exempt number should be given to the vendor before the sale is completed. Information on the City's tax-exempt status can be acquired from the Finance Department.

Advances

Advances may be requested for business travel no later than ten business days prior to travel departure and shall not exceed \$75 per day. The advance will be made available to the Council member the Friday before the first day of travel.

If a Council member receives an advance, then an Expense and Mileage (expense) report must be remitted and reconciled with the actual expenses incurred within 10 business days of the last day of travel, with itemized receipts attached. If excess funds were received through the advance, a payment reimbursing the City must be returned with the expense report. If the City owes the Council member additional funds beyond the advance, reimbursement will be made within 10 business days of receipt of the expense report by the Finance Department.

An expense report for an advance reconciliation will NOT be required when the advance received is for per diem only.

Expense Reimbursements

To be reimbursed for actual business expenses not paid directly by the City, Council members shall complete an expense report, with itemized receipts attached. Reimbursement for meals not covered by the event will be based on either actual expenses or per diem rate as determined by the Council member, and the method chosen will apply to the entire event.

Itemized receipts are submitted for **all** business-related expenses unless the per-diem allowance option is used.

All Council member expense reports must be filed and submitted to the Mayor or their designee for review and approval within 10 business days of the last day of travel. The Mayor shall submit expense reports to the Mayor Pro-Tem for review and approval.

Taxation of Business Expenses

Based on the IRS rules in Publication 15, business expenses are covered under either an

accountable plan (non-taxed) or non-accountable (taxed).

For expenses to be covered under the accountable plan, there are three (3) requirements that must be met:

1. Employee must have paid or incurred allowable expenses while performing services for City business, and the expenses are not otherwise paid as wages
2. Employee substantiates the expenses within a reasonable amount of time
3. Employee is required to return all amounts received in excess of substantiated expenses within a reasonable amount of time

For City purposes, a reasonable amount of time is deemed to be 10 business days from last date of travel.

If any one of these requirements is not met, the expenses are deemed to be non-accountable, and reimbursements will be included on the W-2 form as taxable income.

Credit Card

A City purchasing/credit card shall be available for use by the Mayor. Expenses charged to the City purchasing/credit card are limited to business related expenses and must follow the guidelines of the City of Northglenn's Purchasing Card User's Guide Manual. Itemized receipts and signed purchasing/credit card statements are to be submitted for review and approval to the Mayor Pro-Tem as soon as possible but no later than 10 business days from the end of the statement cycle. If personal charges are made to the card, reimbursement to the City must be made immediately.