

**FINANCE DEPARTMENT MEMORANDUM**  
**#07-2020**

**DATE:** August 24, 2020  
**TO:** Honorable Mayor Meredith Leighty and City Council Members  
**THROUGH:** Heather Geyer, City Manager *hmg*  
**FROM:** Jason Loveland, Director of Finance *AL*  
**SUBJECT:** CR-121 – Council Travel Policy

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**PURPOSE**

To consider CR-121, a resolution amending the Council Travel Policy.

**BACKGROUND**

The Council Travel Policy establishes the framework for Council to follow when traveling for official City business. The policy is reviewed by the Finance Committee every two years, or as needed, with Committee recommendations brought forward for Council consideration. The policy was last updated in 2017. A copy of the current Council Travel Policy is included in Attachment 1.

At the July 29 Finance Committee meeting, the Committee discussed the policy and reviewed staff recommendations to simplify the document while maintaining previously adopted intent.

One recommended change is regarding overnight stays being allowed only if the stay is 35 miles or more from City Hall. This topic arose while discussing the 2020 Colorado Municipal League Conference that was planned to be held in Westminster, CO. A copy of the draft changes is included in Attachment 2.

**STAFF RECOMMENDATION**

Staff recommends approval of CR-121, to amend the Council Travel Policy as presented.

**BUDGET/TIME IMPLICATIONS**

None.

**STAFF REFERENCE**

If Council members have any comments or questions they may contact Jason Loveland, Director of Finance, at 303.450.8817 or [jloveland@northglenn.org](mailto:jloveland@northglenn.org).

**ATTACHMENTS**

1. Current Council Travel Policy (approved in 2017)
2. Draft Council Travel Policy

CR-121 – Council Travel Policy  
Council Travel Policy Document

**CITY OF NORTHGLENN  
COUNCIL TRAVEL POLICY  
REVISED 2.13.17**

Funds for Council travel are budgeted annually with equal amounts allotted to each member. If any individual councilmember exceeds the budgeted amount, a request may be made to another member of Council for additional funds.

**Purpose:**

The purpose of this regulation is to establish a policy concerning the payment of expenses incurred while conducting City business. This policy is based on the IRS Rules for the Accountable Employee Reimbursement Plan\* which has three (3) requirements:

- Business purpose for expense
- Employee substantiates or is deemed to have substantiated the expenses
- Employee required to return all amounts in excess of substantiated expenses

If any one of these requirements is not met, the Plan is non-accountable and advances or reimbursements are listed on the W-2 form as income.

\*Accountable Plan: Expense reimbursements are not included in wages. Expenses are not deductible on personal income tax return.

A. **Meetings and Seminars**

All Council members shall be eligible for attendance at in-state and out-of-state meetings and seminars. The Mayor and Council are reimbursed for expenses incurred as a result of City business, training, or travel. Expenses that will be paid or reimbursed include conference registration (including a guest registration), associated supplies and materials, a councilperson's transportation (coach-fare), hotel accommodations, parking, meals, telephone calls and gratuities. It will be the councilmember's responsibility to justify the business purpose of the trip. Council members will have a designated budget amount for training and travel each year. Should a Councilmember find a need to exceed his/her 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. Councilmembers may allocate all, or a portion of his/her, allotted budget to another member. If

training and travel funds are not used, the amount shall go back into the General Fund. 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 councilmember and a guest or spouse are invited to attend such as recognition events, awards events and banquets, for example the North Metro Chamber of Commerce Awards Banquet.

B. Advances

Advances may be requested not later than five days prior to travel departure and shall not exceed \$75 per day. Any advance in excess of substantiated expenses must be returned within 14 days of travel.

C. Expense Substantiation

To be reimbursed for actual business expenses, Councilmembers shall complete an Expense and Mileage Reimbursement report, as provided by the Finance Department, with supporting receipts or other appropriate documentation attached. Upon submittal of an expense report expenses not paid directly by the City shall be reimbursed, less an expense advance, based on either actual expenses or the Federal meals and incidental (M&IE) per diem rate. However, for each meeting or seminar the Councilmember must choose to be reimbursed for either actual meals or to be reimbursed based on the Federal M&IE per diem rate. A councilmember cannot choose a different method for each day of the seminar. The expense report must be filed and submitted to the Mayor or his designate for review within 14 days of travel. The Mayor shall submit expense reports to Mayor Pro-Tem.

Actual expense substantiation:

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

Hotel/Motel:

Receipts are required within 14 days of travel and subject to the guidelines set forth by the Finance Department.

Per-diem allowances (Meals and Incidentals only):

City will never reimburse above the current Federal M&IE per-diem rate without itemized receipts. Council members may obtain the actual per diem schedule from Finance Department. Receipts are required for all other expenses besides meals and incidentals. Any reimbursement requests must be submitted within 14 days of travel.

D. 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 payment approval as soon as possible but no later than 14 days following the receipt of the statement from the Finance department. If conference registration includes costs for other events not eligible for reimbursement by the City, payment must be included with the registration prior to the charge to the purchasing/credit card.

E. Transportation by Personal Vehicle

For destinations located more than 35 miles away from City Hall, travel using a personal vehicle in lieu of other means of transportation is reimbursable at the City's current mileage rate, plus the itemized expenses or per-diem allowances for meals and incidentals. The mileage per diem reimbursement request must be filed and submitted to the Mayor, or designee, no later than 14 days of travel or reimbursement is forfeit.

Rental cars are allowable during out of town conferences at City expense, provided the cars are used for business purposes only.

F. General Provisions/Restrictions

No personal purchases shall be made using the City's funds.

Alcohol shall not be purchased with City funds.

No costs associated with any political event or charity shall be made with City funds.

No expenses associated with entertainment, including but not limited to, theater events, movies, sporting events, and personal recreation, such as golfing, spa treatments, and fitness related expenses shall be made with City funds.

No personal memberships shall be made with City funds.

As a matter of policy, when a product not subject to competitive bidding is available within the City with comparable price, specification, quantity, and quality, the purchase shall be made from local sources.

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.

**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.

DRAFT



SPONSORED BY: MAYOR LEIGHTY

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-121  
Series of 2020

\_\_\_\_\_  
Series of 2020

A RESOLUTION ADOPTING A COUNCIL TRAVEL POLICY FOR THE CITY OF NORTHGLENN, COLORADO

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The revised Council Travel Policy, attached hereto as Exhibit A, is hereby adopted by the City Council of the City of Northglenn, Colorado. All previous travel policies adopted by resolution or otherwise are hereby repealed.

DATED, at Northglenn, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
MEREDITH LEIGHTY  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney

## **CITY OF NORTHGLENN COUNCIL TRAVEL POLICY**

### **Purpose**

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