



TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

Revised November, 2018

TABLE OF CONTENTS

I.	PURPOSE	1
II.	SCOPE	1
III.	DEFINITIONS	1
IV.	AUTHORIZATION TO TRAVEL.....	3
	A. General Conditions	3
	B. In-County Travel.....	3
	C. Out-of-County Travel	3
	D. Travel Requests.....	4
V.	TRAVEL EXPENSES	4
	A. General Conditions	4
	B. Transportation Expenses	4
	C. Meal Expenses	10
	D. Lodging Expenses	12
	E. Registration Fees.....	14
	F. Other Travel Expenses	14
VI.	OTHER COUNTY BUSINESS EXPENSES.....	15
VII.	LITIGATION ASSOCIATED TRAVEL & BUSINESS EXPENSES	15
VIII.	CLAIMING PROCEDURES FOR OUT-OF-COUNTY TRAVEL	16
	A. Travel Advance Claims.....	16
	B. Prepaid Vendor Claims	18
	C. Travel & Business Expense Reimbursement Claims.....	19
	D. Mileage Claims	20
	E. Reimbursement by Outside Source.....	20
	F. Late Claims	20
	G. Travel Card Usage	21
IX.	INTERPRETATIONS	21
X.	EXCEPTIONS	22
XI.	CONFLICTS	22

XII.	IMPLEMENTATION	22
XIII.	MODIFICATIONS.....	22

I. PURPOSE

The purpose of this Travel and Business Expense Reimbursement Policy (this “Policy”) is to establish uniform travel and business expense reimbursement policies, rules and claim procedures for persons authorized to conduct business of the County (as defined below).

II. SCOPE

This policy applies to all County employees, members of legislative bodies established by the Board (salaried or not), non-County employees (such as contractors who receive travel and/or business expense reimbursements) and volunteers traveling on County business.

III. DEFINITIONS

Unless the context otherwise requires, the definitions contained in this part govern the construction of this Policy. They do not necessarily apply in other County contexts.

A. Accountable Expense Reimbursement Plan

The Board of Supervisors intends that this policy qualify as an “accountable plan” for purposes of Internal Revenue Code (“Code”) section 62(c) and Treasury Regulations thereunder. Under Treasury Regulations section 1.62-2, reimbursements of travel and other business expenses to a County employee, contractor or volunteer will be considered to be made under an “accountable plan” if the following three requirements are met:

- The person substantiates his or her expenses by submitting an expense report with
 - 1) the amount of the expenditure,
 - 2) the time and place of the travel or business entertainment,
 - 3) the business purpose of the expenditure, and
 - 4) the names and business relationship of any persons entertained.
- The person submits documentation of the expense (which may consist of invoices, receipts, and, (in some circumstances), credit card statements, or paid bills, etc. after the expense is paid or incurred, and
- Excess advances, if any, are repaid to the County after the expense is paid or incurred.

B. County Business

"County business" means the activity directly related to the ordinary, necessary and/or required business functions of the County of Monterey (“County”). It does not include travel or expenses related to an employee’s participation in the County’s Educational Assistance Program or commuting expenses (a non-reimbursable expense).

C. County Employee

"County employee" means any County officer or employee, whether elected or

appointed, filling a budgeted position approved by the Board of Supervisors or temporary County employee approved for travel by a department head. Independent contractors and their employees are not County employees.

D. County Traveler

"County traveler" means any County employee, authorized non-County employee (such as a contractor) or volunteer traveling on County business.

E. County Volunteer

"County volunteer" means a person, other than a County employee, who performs volunteer work authorized by a department or the Board of Supervisors for the County, such as a department volunteer, a commissioner or a member of an interview panel. It does not include agency temps, inmates, wards or probationers working for the County.

F. Home

"Home" means the actual dwelling place of the County traveler without regard to any other legal or mailing address.

G. Main or Regular Place of Work

"Main or regular place of work" means the principal place of business for the County traveler or the principal location to which the County volunteer/contractor is assigned to work for the County. This may be the place at which s/he spends the largest portion of his/her regular County workday or working time or, in the case of field workers, the assigned location/headquarters to which s/he returns upon completion of regular or special assignments.

H. Meals

Meals that are 1) directly related or associated with bona fide County business matters and 2) approved for reimbursement by a member of the Board of Supervisors or a department head (or his or her designee) will be considered a reimbursable County business expense, if incurred in connection with out-of-County business travel or while conducting in-County business. Also, reimbursement for the provision of in-kind meals to employees on the business premises of the County will only be allowed if there is a substantial non-compensatory business reason for providing such meals to employees.

I. Temporary Work Location

"Temporary work location" means the place where the County employee, volunteer or contractor is assigned on an irregular or short-term basis. If an employee is assigned to a work location for no more than 35 work days during a calendar year, then the location is considered temporary. Attending conferences, meetings, court, depositions, other

litigation related events, or training sessions away from the main or regular place of work by County employees or volunteers, or field workers conducting fieldwork at off-site locations, does not normally constitute assignment to another site. If the employee is assigned for more than 35 work days during the calendar year, the new location has become the main or regular place of work.

J. Vehicle

"Vehicle" means a motor vehicle, which can be legally operated on public highways.

IV. AUTHORIZATION TO TRAVEL

A. General Conditions

1. Travel will be authorized only when the travel is related to a legitimate business purpose and in the best interest of the County.
2. Authorization is required for all County travel, as specified in B & C below.
3. Advance authorization from the County Administrative Officer is required for all County travel by County volunteers, except as follows:
 - a) Travel by appointed members of County boards, commissions, or advisory committees to and from the official meetings of their respective boards.
 - b) Travel to and from the County for members of personnel interview panels, subject to authorization by the Human Resources Department.
 - c) Travel to and from meetings, conferences and training covered by the County MHSA plan, subject to authorization by the Behavioral Health Program Manager or designee.

B. In-County Travel

County employees are authorized to travel within the County when said travel is required by the department and is considered a part of the routine, day-to-day official duties of the employee as defined and authorized by the department head or his/her designee. All other in-County travel requires advance authorization by the department head or his/her designee.

C. Out-of-County Travel

1. All travel outside of the County requires advance authorization by the department head, or his/her designee. Travel by immediate staff of a member of the Board of Supervisors requires the advance authorization of the respective Board member.

3. Authorization for out-of-state travel by current members of the Board of Supervisors is subject to the guidelines established by the Board.

D. Travel Requests

Travel requests that require department head authorization shall be submitted to the department head pursuant to department policy. If the traveler is requesting a travel advance, an approved "County of Monterey Travel Request" form (usually in the form of a "white claim" or "GAX"), accompanied by all documentation relative to the request, shall be forwarded to the Auditor-Controller.

V. TRAVEL EXPENSES

A. General Conditions

1. County travelers are entitled to submit a claim for actual business expenses for transportation, meals, lodging, and incidentals for authorized travel, subject to the conditions set forth in this Policy, whenever the expenses are incurred as part of his/her official duties and authorized because the County traveler is required to work, attend a school, attend litigation events, training, meeting or convention overnight at a location sufficiently distant from main or regular place of work or home to qualify under this policy for meal per diem and overnight lodging.
2. Notwithstanding Section 1 above, claims shall be paid subject to the rules set forth in this Policy and applicable law. Eligibility to submit a claim does not automatically entitle the claimant to reimbursement for any and all expenses.
3. County travelers receiving reimbursement from an outside source for travel on County time shall forward said reimbursement to the County Auditor-Controller for handling and deposit if the traveler intends to submit an expense claim to the County or use County resources to travel. Said travelers shall then be entitled to submit a claim for actual business expenses for transportation, meals, lodging, and incidentals, subject to the conditions set forth in this Policy.
4. Arrangements for transportation, lodging or registration fees that have cancellation or change penalties shall be carefully monitored by the department. If cancellation/change occurs due to direction by the County traveler's department head, or his/her designee, or the CAO, the County department will cover the penalty cost. If the cancellation/change occurs due to a traveler's personal request or obligations, the traveler will be required to pay the penalty. Exceptions shall be made when a traveler is unable to travel because of hospitalization, serious sickness or death of self or an immediate family member or when the department head certifies that the reason for the employee's absence was legitimate and authorized.

B. Transportation Expenses

1. General Conditions

- a) Transportation expenses are the direct costs related to movement of the County traveler from authorized point of departure to destination of travel and back to the authorized point of return.
- b) All transportation expenses incurred shall be based upon reasonable, efficient, direct, and economical modes of transportation available for the occasion.
- c) Whenever a time frame is established as criteria for eligibility for claiming, such as the requirements set forth for meals in Section V, subsection C. 1. d., estimated travel time shall be based upon legal vehicle speed limits, volume of traffic, and weather conditions in effect at the time of travel. Regular traffic patterns may also be considered in advance of departure to determine eligibility. For example, morning traffic driving from Monterey to the Bay Area is normally heavy and should be factored in when estimating travel time.

2. Vehicle Transportation

Vehicle use (both County-owned and private) by authorized County travelers during the conduct of official County business is subject to the County Vehicle Use Policy.

a) Private Vehicle

- (1) Travel by private vehicle will be reimbursed at the IRS rate for business use of a personal vehicle in effect in the County at the time of travel. The IRS updates these mileage rates annually and a County traveler may review them on the IRS' web site at <https://www.irs.gov/tax-professionals/standard-mileage-rates>.
- (2) Authorized County travelers who travel in a vehicle other than their own may not claim mileage for business use of a private vehicle but may claim reimbursement of actual fuel expenses necessary for the trip and expended by the traveler. Receipts (or in lieu thereof credit card statements if the County traveler despite his/her best efforts cannot locate or submit receipts) are required and should be claimed by the employee actually paying the expense.
- (3) Authorized County travelers may not claim mileage for business use of a private vehicle in the following instances:
 - (a) when the County traveler is riding with someone who will be claiming reimbursement for the vehicle's use from the County or another source;
 - (b) when the County traveler is traveling in a County or other government agency vehicle;

- (c) when the County traveler is traveling in a rented vehicle (paid by County);
 - (d) when the County traveler has been assigned a County Vehicle for home retention, is receiving an allowance or lump sum for mileage, unless specifically provided for in the terms of their agreement or contract with the County or by Board Order/Resolution.
- (4) County employee mileage to the regular or main place of work from home, and back, is considered commuting and may not be claimed.
- (5) County employee mileage to the temporary work location from home, and back, is considered commuting and may not be claimed except in the following cases:
 - (a) if the County employee is required to report to the regular or main place of work before reporting to the temporary work location, s/he is eligible for mileage from the regular or main place of work to the temporary work location;
 - (b) if the County employee is required to report to the regular or main place of work after working at the temporary work location and before going home, s/he is eligible for mileage from the temporary work location to the regular or main place of work.
- (6) Mileage in conjunction with authorized County travel to and from a school, training, convention, litigation event, or meeting shall be based on the distance to the destination from the traveler's home or the regular or main place of work, whichever is less, except in the following cases:
 - (a) if the traveler is required to report to his/her work location before leaving, s/he is eligible for mileage from the work location.
 - (b) if the traveler is required to report to his/her work location before returning home, s/he is eligible for mileage based on the distance to the work location.
- (7) Appointed volunteer members of County boards, commissions, or advisory committees may claim mileage to the official meetings of their respective boards from home, and back.
- (8) Members of personnel interview panels may claim mileage to the panel location from their regular or main place of work or home, and back.
- (9) When two or more County travelers from the same department are traveling to the same site by vehicle, they should use only as many vehicles as are required to accommodate the number of travelers and business needs of the

County. If a County traveler chooses to use a separate private vehicle because of personal preferences or obligations, they may not be eligible for mileage or fuel reimbursement for the travel unless the department head determines that reimbursement is appropriate and justified.

- (10) If a County traveler chooses to use a private vehicle instead of an alternative mode of transportation chosen by the department head because of personal preferences or obligations, his/her mileage reimbursement shall not exceed the cost of using the alternative mode of transportation unless the department head determines that the additional reimbursement is appropriate and justified.

b) County Vehicle Transportation

- (1) County travelers using a County vehicle for traveling shall not be eligible for reimbursement for mileage.
- (2) County travelers required to fuel a County vehicle at their own expense should claim the actual fuel costs expended by them. Receipts (or in lieu thereof credit card statements if the County traveler despite his/her best efforts cannot locate or submit receipts) must accompany the claim. Vehicle license number and the odometer reading should be written on the receipts.
- (3) If the County vehicle experiences mechanical failure, the County traveler shall follow the rules set forth in the "Mechanical Failure" section of the "Vehicle Operator's Handbook" located in the glove compartment of each County vehicle.

c) Rental Vehicle Transportation

- (1) Vehicles may be rented for transportation at the destination point when the County traveler travels to the destination via commercial common carrier and the cost of the rental will be less than the charge for shuttle or taxi service to and from the carrier termination point to the function or hotel accommodations. Rental car costs may exceed shuttle, taxi Uber/Lyft if the (1) the traveler needs a vehicle at the destination for business reasons or (2) shuttle times are not reasonable. Traveler may also elect to personally pay the difference between a shuttle, taxi or Uber/Lyft and a rental car.
- (2) Vehicles may be rented for transportation to the destination point when the cost of the rental will be less than other reasonable and available modes of transportation.
- (3) If more than one County traveler from the same department is traveling to the same function, only one rental vehicle should be claimed, if it is

available for use by all of the County travelers.

- (4) The County traveler shall choose the least expensive size and mileage limits appropriate to the use required. Rental expenses for luxury cars, motorcycles and recreational vehicles may not be claimed.
- (5) Rental cars shall be refueled prior to return to the rental agency to reduce cost to the County. Rental cars should be returned to the renting location and on time to avoid additional charges.
- (6) When traveling domestically the County traveler may waive additional vehicle insurance, provided that the employee has his/her own vehicle insurance coverage. County traveler may accept additional insurance when renting a car. When traveling internationally additional insurance should be accepted if the traveler lacks other similar coverage.
- (7) A car rental receipt showing the number of days and type of vehicle rented is required for vehicle rental claims. A credit card receipt alone is insufficient.

d) Commercial Carrier Transportation

- (1) County travelers shall make reasonable efforts to use the lowest rates available for the type of commercial carrier service being utilized. Whenever possible, travelers should take advantage of flight arrangements that minimize County cost (for example, purchasing a round trip ticket may be less expensive than two one-way tickets). Reservations should be made as far in advance as possible to take advantage of available discounts and special offers. Travel agents that have added ticket handling charges should be avoided.
- (2) Claims for travel via commercial carrier shall be limited to the cost of travel at economy rates for the same day and time of travel or actual cost, whichever is less. County travelers may upgrade tickets, provided that the traveler and not the County pay for the difference in cost for such upgrade. The County will not reimburse any type of travel cancellation insurance unless the Department Head requests the traveler to purchase cancellation coverage. Reasonable baggage charges, if imposed by the airline, on the first checked bag are reimbursable.
- (3) Claims for commercial carrier tickets shall be substantiated by a ticket document (such as an e-ticket or passenger receipt ticket copy) showing the price, date, date/time of travel and class of travel. A copy of the credit card receipt or statement from a travel agency is sufficient only if appropriate travel information is also provided.

- (4) County business traveler may retain frequent flyer/hotel rewards and similar program benefits. However, participation in these programs must not influence flight/hotel/etc. selection, which would result in incremental cost to the County beyond the lowest available airfare/hotel cost unless the difference is paid by the traveler. Free tickets or cash allowances for volunteering to be denied timely boarding may be retained by the traveler but no additional cost to the County or interruption of County work is allowed and any additional time required to complete the trip is to be personal time.
- (5) Should a Saturday night stay reduce the cost to the County of a ticket more than the total of any additional hotel/meal/parking cost, the costs to do so are reimbursable to the traveler but should be well-documented with a clear savings or equal cost to the County.

e) Private Aircraft Transportation

- (1) Traveling by private aircraft which may be authorized if it will be the most efficient means of travel or traveler pays the difference. Said use shall require the advance written approval of the CAO. If approved, the following must be provided to the Auditor-Controller's Office in advance of the travel:
 - (a) a copy of the pilot's Federal Aviation Administration (FAA) pilot's certificate and instrument rating for the category and class of aircraft to be flown and the type of flying to be performed;
 - (b) a copy of the pilot's current medical certificate;
 - (c) a copy of the FAA Pilot Proficiency Award Program certificate issued to the pilot within the twelve months prior to the flight;
 - (d) a copy of the pilot's flight log showing a minimum of 250 hours of flight time within the twelve months prior to the flight;
 - (e) a certificate of public liability and property damage insurance of not less than \$1,000,000 naming the County as an additional insured.
- (2) Traveling by private aircraft, which is flown by a non-County employee, except for flights conducted by members of the Sheriff's Air Squadron in the performance of their official duties, is normally prohibited.
- (3) County travelers who operate a private aircraft in connection with approved County travel may be reimbursed the actual cost paid by the traveler for fuel used by the aircraft on the trip or the County's

mileage rate for each air mile at the traveler's option. However, traveler shall be responsible for costs exceeding comparable commercial travel.

f) Other Transportation Expenses

(1) The following necessary transportation expenses may be claimed at actual cost (receipt required) when directly related to transporting the County traveler to and from the business destination point:

- (a) taxi, shuttle, Uber/Lyft, similar transit options, or public transit fares;
- (b) parking fees (airport long-term parking is required for travel exceeding 24 hours);
- (c) bridge, road or ferry tolls;
- (d) other actual transportation expenses determined to be reasonable by the department head.

(2) The following transportation expenses may not be claimed:

- (a) traffic and parking violations;
- (b) emergency repairs or non-emergency repairs on non-County vehicles;
- (c) personal travel while at an out-of-County location;
- (d) other actual transportation expenses determined to be unreasonable or unnecessary by the department head.

C. Meal Expenses

1. Eligibility for Meals

a) When claiming meal costs, County employees should claim per diem rather than actual expense, except as provided for herein. County employees, contractors and volunteers may be reimbursed for County meal costs that are 1) ordinary (not extravagant) and 2) reasonably related or associated with bona fide County business matters and 3) approved by a member of the Board of Supervisors or a department head (or his or her designee). County business discussions associated with a meal must be conducted in a "clear business setting". Business meals at a restaurant may be considered a business setting.

b) County travelers are also eligible to claim the meal reimbursements noted below.

(1) Breakfast may be claimed if the County traveler must reasonably be away

from home because of County business travel at or before 7:00 a.m.

- (2) Lunch may be claimed if the County traveler must reasonably be away from regular/main work location because of County business travel at or before Noon.
 - (3) Dinner may be claimed if the County traveler must reasonably be away from home because of County business travel at 7:00 p.m. or after.
- c) Snacks are a personal expense, not reimbursable.
 - d) Claims for meals purchased by a County employee or volunteer on behalf of federal or state public officials or employees is prohibited, unless provided for under other Board of Supervisor approved written County policies.
 - e) County travelers are not eligible to keep or claim per diem allowances for anyone other than themselves.

2. Meal Claims

- a) The County maximum meal and incidental per diem rate shall be equal to the maximum federal per diem meal and incidental expenses (M&IE) rate established by the General Services Administration (GSA), except as otherwise provided herein. Said maximums include taxes and gratuities. Per diem rates are set by the federal government annually and may vary by location, and may be accessed at the IRS web site (which in turn cross-references to per diem rates for federal employees as set by the GSA) at <https://www.irs.gov/faqs/small-business-self-employed-other-business/income-expenses/income-expenses-2>. Business meeting meals where an employee is claiming costs for others may be claimed at the actual expense as set forth herein.
- b) Meal expense amounts shall be calculated by the Auditor-Controller for first and last partial days of travel based on the maximum federal per diem meal rate for the appropriate meal(s).
- c) Claims for County meals taken in conjunction with travel shall be reimbursed in the form of a "per diem allowance", except as provided for herein, which means the traveler is eligible to be reimbursed at the maximum rate allowed and receipts are not required (except for Board of Supervisor Members). Partial days shall be reimbursed at the appropriate meal rate.
- d) Allowable meal costs may only exceed the prescribed per diem rates if the meal is being served at a conference or workshop and the costs of the speaker, conference, and/or registration are included in the price, except as provided for herein when actual expense is allowed. The agenda/brochure or other documentation describing the event and the price must accompany the claim to

the Auditor-Controller's Office.

- e) A County traveler may not claim a per diem allowance or reimbursement for any meal which is provided, or otherwise available, to the County traveler with the lodging or function, whether or not there is an actual charge for the meal. For example, if lunch is provided at the function or breakfast is included in the cost of lodging, the traveler may not claim a per diem allowance or request reimbursement for eating elsewhere, unless dietary, health or religious reasons apply. For purposes of this section, continental breakfast and meals provided during airline or other commercial carrier travel do not constitute provided meals and do not need to be deducted from the per diem allowance. A County traveler may not claim a per diem allowance for a meal that was paid for by someone else.
- f) If a breakfast is included in the cost of lodging, the traveler may not claim for a breakfast meal; however, s/he may apply the next day's breakfast allowance amount towards the maximum lodging amount. For example, if the maximum lodging amount is \$79.00 and the breakfast allowance is \$8.00, the employee may claim up to a maximum of \$87.00 for lodging which includes a continental breakfast. (For purposes of this section, continental breakfast does not constitute a provided breakfast meal.)
- g) Claiming for alcoholic beverage expenses are prohibited in all cases.
- h) As required by California Government Code section 53232.2 Board of Supervisors members must provide receipts for all meals and will be reimbursed at the lower of the appropriate per diem amount or the actual expense.

D. Lodging Expenses

1. Eligibility for Lodging

- a) County travelers are not eligible to claim for lodging for in-County functions unless:
 - 1 Participating in an official County function; and
 - 2 The function includes both daytime and evening events and the evening events end after 8:00 PM; and
 - 3 The Department Head, CAO or Board of Supervisors approve as in best interest of County.
- b) For County business that is conducted on one business day, if the County traveler's actual time for the day is estimated to equal or exceed 12 hours (including work time, the lunch period and round-trip travel time), then the County traveler will have the option of securing one night's lodging at either the front-end or back-end of the trip. Illustration: A member of the County Board of

Supervisors who resides in Monterey County is required to attend a one-day business meeting in Sacramento. The Board member estimates that his total time for the day without obtaining lodging would be 14 hours (7 hours of meetings, 1 hour for lunch and 6 hours for round-trip travel). The Board member will have the option of securing one night's lodging in Sacramento, either the night before the meeting, or after conclusion of the meeting. Lodging out of County may also be secured the night before a meeting if travel requires departure from home before 7:00 AM or the night of a meeting if return home is estimated to be after 9:00 PM.

- c) For out-of-County business that requires multiple business days, if County travelers are eligible to claim lodging for the first and last evenings of an out-of-County trip, they are also eligible to claim lodging for any evenings that fall in between the first and last evenings of the trip.
- d) County travelers are not eligible to claim reimbursement of lodging costs when staying overnight as a guest of friends or relatives.

2. Lodging Claims

- a) A County traveler may claim lodging expenses based on the actual cost of the lodging (limited to the single occupancy rate for a single room), and upon submission of the original or copy of the full itemized lodging invoice with a breakdown of charges (a credit card receipt by itself is not sufficient).
- b) Notwithstanding paragraph “(a)” above, but subject to paragraph “(c)” below, it is County policy that County travelers use reasonable efforts to seek and obtain lodging at rates no greater than the IRS and other federally-authorized per diem rates which can be accessed and reviewed at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Although the County per paragraph “(a)” above will reimburse based on actual cost, failure to adhere to this policy may result in imposition of more stringent pre-approval requirements for expenses for that traveler or loss of travel privileges.
- b) Notwithstanding paragraph “(b)” above, the County does not expect a traveler to seek and obtain lodging costs at the federal per diem rate when part of a conference, meeting or convention. The County recognizes that in such cases the lodging may exceed the federal per diem if (i) seminars or meetings are to be held at the particular hotel and/or events are scheduled for evening hours; (ii) the rate is a group rate arranged by the event sponsoring organization (regardless if events occur at the hotel), and the department head has given advance authorization; (iii) a lower federal per diem rate or group rate is no longer available at the hotel(s) selected by the sponsoring organization; and/or (iv) the traveler is attending out-of-County meetings if federal per diem rates are not available in the area and reasonable attempts are made to secure the best rate available within a reasonable distance of the meeting. If the hotel selected by the sponsoring organization is

sold out, then per paragraph “(b)” above the County expects that the traveler will use reasonable efforts to seek and obtain lodging at a nearby hotel at the federal per diem rate.”

- c) A room folio receipt, showing the number of days, the number of occupants, and a breakdown of expenses is required for lodging claims. A travel agency statement or a credit card receipt alone is insufficient.
- d) When a room is shared with a fellow County traveler, the expense may either be prorated, and the prorated amount claimed by each County traveler, or one County traveler may claim the total expense at the multiple occupancy rate.
- e) When a room is shared with a person other than a County traveler and said person will also be claiming reimbursement from the County or another source, the amount shall be prorated between the two travelers.
- f) Lodging expense may not be claimed for guests of the County traveler. However, one County traveler may claim lodging expenses on a County issued credit card for other County travelers. Where expense for a family member or friend is included in the receipt, the claim must not exceed the single occupancy rate.
- g) Special lodging, such as accommodations in apartments, RV parks, campgrounds or other semi-permanent lodgings, shall require advance written authorization of the CAO and should meet rates set forth in this Policy and should meet rates set forth in this policy.
- h) County travelers should inquire when making lodging arrangements whether the County is exempt from Transient Occupancy Taxes (TOT) in the locale where they are staying and should provide the necessary form to the lodging facility, if required to do so to obtain the waiver.
- i) Except when registering for lodging at a pre-arranged group rate in conjunction with a conference or meeting, County travelers shall request the government rate or lowest available eligible rate when making lodging arrangements.
- j) Travelers are responsible for canceling hotel rooms before the cancellation period ends and should record the cancellation number in case of disputes. Travelers will not be reimbursed cancellation charges or for “no-show” hotel charges unless there are unavoidable reasons or legitimate business purposes for cancelling or not showing.
- k) When multiple country travelers are traveling together, one traveler may take care of the invoices but should provide the details on who stayed in each room on the invoices.

E. Registration Fees

Conference, convention and seminar registration and tuition fees may be claimed at the actual cost, provided that the agenda/brochure or other documentation describing the event, including the price, accompanies the claim.

F. Other Travel Expenses

1. County travelers are eligible to claim a per diem incidental allowance, limited to the maximum federal per diem incidental rate established by the IRS, for each day of travel requiring an overnight stay away from the traveler's home. Said allowance covers fees and gratuities for persons who provide services, such as food servers and luggage handlers, and does not require receipts (Except for Board of Supervisors Meals). If applicable (such as a Board of Supervisor meal), gratuities are limited to not exceed 18% of the service costs unless billed by a provider's standard policy at a higher rate.
2. County travelers are eligible to claim the following expenses at actual cost, even if they also qualify for a per diem incidental allowance. Receipts are required.
 - a) County business calls (traveler must annotate purpose of call on the bill)
 - b) fax machine charges incurred to send or receive documents for County use.
 - c) copy machine charges incurred to copy documents for County use.
 - d) Internet access connection and/or usage fees away from home, if Internet access is necessary for county related business.
 - e) other business-related expenses determined to be reasonable and necessary by the department head or CAO.

VI. OTHER COUNTY BUSINESS EXPENSES

A. General Guidelines

In the course of conducting County business, employees, contractors or volunteers may incur business expenses (including meal expenses pursuant to Section V.C) on behalf of the County. Such expenses will be approved for reimbursement if the disbursement meets the following requirements:

- The disbursement is for an ordinary (not extravagant) and necessary expense of conducting County business, or is an expense that is required by the County,
- The expense is approved by a member of the County Board of Supervisors, or a County department head (or his or her designee), and
- The payee accounts for the expense in accordance with the rules for a "Accountable Expense Reimbursement Plan", as set forth in the Internal Revenue Code and related regulations.

B. Taxation of Business Expense Reimbursements

If a reimbursement to an employee, contractor or volunteer meets the requirements of this Policy, which is an “accountable plan.”

VII. LITIGATION ASSOCIATED TRAVEL & BUSINESS EXPENSE

- A. Travelers shall make reasonable efforts to secure rates within the maximum allowable County rate or a government rate for meals and lodging. Travel & business expenses associated with County litigation may exceed maximum County rates for lodging and meals and may include expenses for witnesses, experts, lodging near courthouse, hotel or meeting preparation rooms, court fees, last minute reservations, last minute cancellations, and similar expenses, if business related and approved by County Counsel.
- B. It is in the best interest of the County when lodging is secured for litigation purposes within walking distance to the applicable courthouse, deposition, mediation or arbitration.
- C. Employees may not claim lodging expenses for litigation venued in Monterey County. Employees may claim lodging expenses in Monterey County venued litigation for out-of-County witnesses and experts. Outside counsel who reside outside Monterey County may claim actual lodging expense in Monterey County.
- D. Employees may claim lodging expenses at actual cost for out-of-County travel for themselves, co-counsel, witnesses and experts. Outside counsel may also claim lodging at actual expense if they reside outside the county of venue.
- E. Actual meal costs may be claimed if needed to facilitate effective defense or prosecution of cases for County. Employees may claim actual meal costs paid for co-counsel, experts or witnesses if reasonable and needed to facilitate effective or efficient defense or prosecution of cases for County.
- F. Other litigation related expenses may be claimed if approved by County Counsel.

VIII. CLAIMING PROCEDURES FOR COUNTY TRAVEL

A. Travel Advance Claims

1. Authorizations and Eligibility

- a) Travel advances are strongly discouraged and are only available to County employees. The issuance of travel advances creates double work for departmental and auditor-controller staff and should only be used if a County travel card cannot be used or the employee does not have a personal credit card. Board of Supervisors Members are not eligible for travel advances.

The first choice is for travelers to use their personal credit cards to pay for their travel expenses and be reimbursed before their monthly statement arrives. Secondly, the County has arranged for the use of the Travel Card to pay many travel related expenses. Departments may use their Travel Cards to pay for airline

tickets and conference registration expenses for all of their employees, not just the cardholder. Commercial carrier and conference registration expenses should not be considered in the advance calculation. The third choice would be a cash advance, if necessary.

- b) Travel advances require the authorization of the department head or his/her designee, and the Auditor-Controller or his/her designee.
- c) The net amount of the travel advance shall not exceed the following:
 - (1) 75% of the total estimate for the following travel expenses, exclusive of payments made payable directly to the vendor:
 - (a) lodging (documentation, including at least the confirmation number and hotel name should be provided), including hotel parking
 - (b) rental vehicle transportation;
 - (c) per diem meal allowances;
 - (d) long-term airport parking;
 - (e) other out-of-pocket expenses deemed necessary and reasonable by the Auditor-Controller.
 - (2) 50% of the total estimate of reimbursement for mileage for business use of a private vehicle.
- d) A travel advance shall not be issued for a net amount less than \$100.00 nor more than \$2,000.00.
- e) A travel advance shall not be issued more than thirty (30) calendar days in advance of the commencement of travel.
- f) Travelers are not eligible for an additional travel advance if they have an unsettled advance, unless the advances are for travel taken consecutively. In such case, the sum total of the travel advances shall not exceed \$2,000.00.

2. Travel Advance Requests

- a) Requests for travel advances involving travel shall be submitted by the department head to the Auditor-Controller's Office on a completed and signed "County of Monterey Travel Request" form, accompanied by all documentation relative to the request, at least ten (10) working days in advance of the commencement of travel.

- b) After a completed and approved "County of Monterey Travel Request" form is received by the Auditor-Controller's Office, a warrant payable to the County traveler for the amount requested shall be issued, up to the 100% maximum amount allowed pursuant to this County travel policy.

3. Travel Advance Settlements

- a) Within five (5) working days of completion of travel, the County traveler shall submit all receipts for allowable travel expenses to the Department and within fifteen (15) working days of completion of travel to the Auditor-Controller's Office on a completed County claim form. Credit for the travel advance shall be subtracted from the amount owed to the County traveler.
- b) In the event that allowable expenses are less than the amount of the travel advance, the County traveler shall submit the difference in the form of a check or money order made out to the "County of Monterey" with the claim form within 60 days of travel completion.
- c) County travelers who cannot provide a required receipt shall reimburse the County for the amount of the money advanced to them for that expense within 60 days of travel completion.
- d) Travelers who do not submit the required documentation by the time frames set forth above may lose their eligibility for future travel advances.
- e) Department heads are responsible for ensuring that their employees settle their travel advance claims within the time frames set forth above. Non-compliance may jeopardize advances for the entire department. County may offset a traveler's wages for failure to reimburse County for excess advances.

B. Prepaid Vendor Claims

1. Vendor Claim Requests

- a) Once travel has been authorized, claims to the vendor may be submitted for lodging and registration fees when there is sufficient time for the check to be processed before the authorized County traveler commences travel.
- b) If the travel requires a "County of Monterey Travel Request" form, the approved form shall be submitted with the claim. If the original has been submitted with a previous claim, then that shall be noted on the claim form and a copy of the form attached.
- c) Whenever possible, the County shall be named as registrant for events to allow transfer of attendance privilege when conflicts prevent the original registrant

from attending.

- d) The County will mail the warrant directly to the vendor unless the traveler requests that the warrant be returned to them to hand carry to the vendor.

2. Vendor Claim Settlements

- a) Each vendor claim must have an receipt attached in order to settle the claim. The required receipts for vendor claims that have been prepaid shall be forwarded to the Auditor-Controller's Office within thirty (60) calendar days after completion of travel.
- b) Claims paid directly to vendors that are not substantiated by receipts within thirty (60) calendar days of the completion of travel shall be considered to be unsettled travel advances to the County traveler.
- c) Department heads are responsible for ensuring that their employees return their receipts within the time frames established by this policy. Non-compliance may jeopardize the department's ability to have travel expenses paid in advance.
- d) In the event that all or a portion of the prepaid cost to a vendor is reduced after the check has been processed, the County traveler is responsible for ensuring that the entire difference is returned to the County within the time frames established for settling the claim.

C. Travel & Business Expense Reimbursement Claims

1. Travel & business reimbursement claims shall be processed and approved by a reasonable interpretation of this policy. Claims shall be processed and approved by the Office of the Auditor-Controller. Except, travel and business expenses claimed by "X" or "Y" Unit employees of the Office of Auditor-Controller shall be reviewed and approved by the CAO or Chair of the Board of Supervisors.
2. After completion of travel, the County traveler shall submit a completed County claim form to the department head or designee for authorization. After review and authorization, the department head shall submit the authorized claim, together with any required receipts, to the Auditor-Controller's Office. Said claim shall be received by the Auditor-Controller's Office within thirty (60) calendar days of the completion of travel.
3. The traveler shall not be reimbursed until s/he has signed the certification for the claim.
4. The Auditor-Controller's Office shall review the claim for compliance with applicable County policies and procedures. If approved by the Auditor-Controller's Office, CAO, County Counsel, Board Chair, or Board of Supervisors, as applicable herein, the claim shall be processed, and a check sent to the claimant within ten (10) working days. If denied, or denied in part, the department's contact person will be

notified immediately with the specific reasons for denial in writing. The Auditor-Controller shall make the first decision on allowable expenses. The CAO shall resolve disputes. The Board of supervisors shall have final decision on all allowable expenses.

5. No reimbursement for travel shall be paid to the employee until all required receipts for the travel claim have been filed with the Auditor-Controller's Office. In rare circumstances, a memorandum from the traveler may suffice for lost or unavailable receipts.
6. Travel reimbursements are to be paid via checks and not to be paid via petty cash.

D. Mileage Claims

1. Whenever travel requires advance authorization of the department head, or his/her designee, the resulting mileage expense shall be claimed on the same claim form as the other expenses that apply to that travel. The only exception is if mileage is the only expense of the trip, in which case the traveler may claim the mileage on the monthly "Mileage Reimbursement" claim form.
2. Whenever travel does not require advance authorization of the department head, or his/her designee, the resulting mileage expense shall be claimed on the "Mileage Reimbursement" claim form.
3. Mileage claims shall be submitted monthly, unless the total for the month is less than \$50.00, in which case the claim may be held for an additional month. However, the claim must not be held over to the next month more than twice, regardless of the dollar amount.
4. All mileage claims for the last month of the fiscal year must be processed by year-end close.
5. Mileage Claims are to be paid via warrants and not to be paid via petty cash.

E. Reimbursement by Outside Source

1. County travelers receiving reimbursement from an outside source for travel on County time shall forward said reimbursement to the Auditor-Controller for handling and deposit if the traveler intends to submit an expense claim to the County or use County resources, including a County vehicle, to travel. In such cases, the traveler shall then be entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals, subject to the claiming conditions set forth in this travel policy. Said reimbursement shall be delivered to the Auditor-Controller's Office within thirty (30) days of the receipt of the funds.
2. If a County volunteer or non-employee will be receiving a per diem or other

reimbursement of travel expenses from a source outside of the County, the volunteer shall not be eligible to claim or receive any additional reimbursement from the County for the same expenses.

F. Late Claims

If a claim for reimbursement or settlement of a travel claim is submitted after the allowed time frames, the payment to the employee shall not be made until the claim has been reviewed and approved by the Auditor-Controller or his/her designee.

G. Travel Card Use

Subject to the rules contained in the Travel Card Policy, travel expenses (airline, hotel, vehicle rental, gas, emergency repair of county vehicles and airport parking) and business meeting meals may be charged to County of Monterey Travel Cards. Prohibited items include employee meals (except as part of business meeting or litigation expense), room service, movies, cash advances, gift cards of any kind, liquor, tobacco and other items prohibited by the Travel Card Policy. Under no circumstances should personal items (even if reimbursed to the county) be charged to the travel card. Expenses paid on the travel card should not be included on a claim for reimbursement.

IX. INTERPRETATIONS

- A. The provisions of this Policy will be interpreted in such manner that the Policy and its application will comply with IRS requirements for an “accountable plan.”
- B. The Board intends that this Policy, and the amount, time and manner of payment of reimbursements and other amounts hereunder, shall at all times comply with section 409A of the Internal Revenue Code. Accordingly, the Board intends that any and all payments by the County to a traveler hereunder shall be excluded from the requirements of Code section 409A on account of not being “deferred compensation” thereunder or, if and to the extent not so excluded, shall be paid by a fixed date, according to a fixed schedule, or no later than the other times or events as required and specified by Code section 409A. In furtherance and not in limitation of the foregoing intent, the following provisions shall apply notwithstanding any provision of this Policy to the contrary: Any reimbursements or in-kind benefits provided under this Policy that are not excluded from the requirements of Code section 409A on account of not being “deferred compensation” thereunder shall be made or provided in accordance with the requirements of Code section 409A including, where applicable, the requirement that (a) any reimbursement shall be for expenses incurred during the term of this Policy; (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (c) the reimbursement of an eligible expense hereunder will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (d) the right to reimbursement hereunder or in-kind benefits is not subject to liquidation or exchange for another benefit

- C. Ambiguities with this policy shall be resolved by reasonable interpretation. Deference shall be afforded to County department head's confirmation of business necessity of the expense. Interpretations of regulations or law shall be made by County Counsel. Any dispute over application and interpretation shall be resolved by the County Administrative Officer or designee. The Board of Supervisors may modify this Policy or overrule application and interpretation.

X. EXCEPTIONS

Exceptions to this policy may be made by the CAO/designee or the Board of Supervisors.

XI. CONFLICTS

Conflicts between this Policy or other Board of Supervisors approved policies or action shall be resolved in favor of the latter.

XII. IMPLEMENTATION:

This Policy shall be included in the County's Policy Manual. The Auditor-Controller shall implement this policy. The Auditor-Controller shall create or modify claim forms that adhere to this policy and support the efficient processing of reimbursement claims.

XIII. MODIFICATIONS

The County Administrative Officer may modify this policy to comply with law upon advice of County Counsel. Any other modifications shall be approved by the Board of Supervisors.