

GILA COUNTY

TRAVEL AND RELATED EXPENSE REIMBURSEMENT PROCEDURES

These procedures support Gila County's Travel and Related Expense Reimbursement policy (BOS-FIN-006) which has been adopted to ensure that individuals are able to successfully complete the reporting of expenditures in a way which both meets normal and reasonable business travel needs. These related procedures may be changed from time to time.

The County requests that individuals exercise sound business judgment when incurring expenses that are expected to be reimbursed by the County. Spend County money prudently and actively seek ways to minimize travel and other business expenses whenever possible. Compliance with reporting and documentation is required for reimbursement of expenses.

In addition to the above, the following objectives are important to the procedure:

- The County will attempt to gain the most economical cost from vendors. As a result, the selection of vendors may be revised from time to time as vendor agreements are initiated or changed.
- Documentation of expenses is required to meet Internal Revenue Service (IRS) and Arizona Revised Statutes (ARS) reporting and record guidelines.
- Documentation is required to meet the needs of the state of Arizona reporting and recordkeeping guidelines.
- The expeditious reporting of expenses by travelers and reimbursement by the County of all properly documented and approved travel expenses.

The County expects individuals to diligently manage travel and business costs and will reimburse for reasonable expenses in accordance with this procedure. The County objective is to assist individuals in accomplishing the Gila County business objectives while traveling by implementing procedures designed to save time and effort, and providing them with appropriate services at the lowest reasonable cost and the highest level of safety.

The County's Finance Department is responsible for administration of this procedure. Any questions regarding these policies and procedures should be directed to the County Finance Director.

Statement of Procedure

Gila County will reimburse individuals for reasonable and necessary travel and business related expenses upon receipt of a properly completed Travel Expense Report. In order for expenditures made by individuals to be approved, the expenditures must be in conjunction with a valid business purpose, must be lawful in every respect, and consistent with the highest standards of business activities and relationships.

It is the responsibility of Department Heads/Elected Officials to review travel and business expenses charged to his/her department/office account codes. If a procedure violation or an unauthorized expense is identified, it should be immediately reported to the Finance Department so that funds can be retrieved from the individual. The review of expenses is necessary to ensure

that non-essential trips are eliminated and costs are contained. In the administration of this procedure, individuals will be expected to follow these general guidelines:

1. Exercise good judgment with respect to every expenditure when traveling.
2. Check the accuracy of all charges and documents before paying or accepting them.
3. Submit a Travel Expense Report within twenty (20) days of the expenditure or conclusion of a business trip.
4. Attach all required support documentation to the Travel Expense Report.

Individuals are not to experience financial gain or loss as a result of business related travel. As an example, individuals cannot derive monetary gain for downgrading their class of travel. The Finance Department has the responsibility for auditing Travel Expense Reports to assure compliance with this policy and associated procedure.

Travel Authorizations

A Pre-Travel Authorization form should be completed and approved prior to any overnight travel (see form PTA01). However, it is the responsibility of the traveler to secure appropriate approval prior to making business travel arrangements. Each individual is expected to use good judgment in determining the need to travel and in exercising strong control over travel and business related expenditures to ensure the least amount of money is spent. The County assumes no obligation to reimburse employees for expenses that are not pre-approved by a Department Head/Elected Official or that are not in compliance with this policy or procedure.

Expense Approval

Gila County does require approval of expenses prior to reimbursement. Individuals should submit properly approved Travel Expense Reports (see form TER01) and supporting documentation directly to the Finance Department for processing. Reimbursement or release of credit card charges and cash advances should normally be completed within fourteen (14) days upon receipt and final review by the Finance Department of properly documented and approved Travel Expense Reports.

Travel Advances

Individuals traveling on County business are expected, when possible, to use the Gila County travel credit card for all travel and business expenditures. If necessary, a cash advance can be obtained for employees that did not have a credit card issued and are required to travel for County business. The Pre-Travel Authorization form along with Travel Cash Advance Request (see form TCA01) must be completed and approved by appropriate Department Head/Elected Official and forwarded to the Finance Department at least fourteen (14) days prior to need of the advance for processing and generation of a county warrant. A travel advance represents a lien against wages for the receiving employee.

Flight Scheduling

Air travel reservations will be determined by the employee's required departure and arrival dates,

not by the traveler's preferences or membership in a frequent flyer program. Travel will be arranged using lowest practical cost possible even when it is not the most direct routing.

Lowest Logical Airfare

Fares may incorporate flight connections, alternate airports, advance purchases, and/or other restrictions. Individuals are expected to accept the lowest available fare; exceptions require the County Manager's approval prior to ticket issuance.

Class of Service

Individuals are required to travel economy class or to use special fares lesser in amount than economy class for domestic flights.

Authorized Upgrade

Individuals may use upgrade certificates on preferred carriers earned through a frequent flyer program or may personally pay for an upgraded class of service. Certain negotiated fares may not be eligible for upgrade using the frequent flyer certificates. Individuals may not book higher fare levels in order to use upgrade coupons.

Frequent Flyer Programs

Individuals are eligible for mileage awards under airline frequent flyer programs. Specifying particular airlines in order to participate in the awards program is prohibited. Under no circumstances should a higher fare be taken in order to accrue mileage credits. Gila County considers the return of frequent flyer mileage an employee "privilege." Gila County will not pay or reimburse travelers for business use of frequent flyer program benefits.

Expense Report Submission

Individuals must submit an appropriately documented expense report within 20 days after an expense is incurred or the completion of a business trip. Expenses filed more than two (2) months after they are incurred will not be reimbursed. Exceptions to this policy require approval by the County Manager.

Individuals must maintain an adequate record of all expenditures, accurately report them on expense reports, and submit required documentation and approvals for reimbursement.

Requests for reimbursement of business expenses must be submitted on a Travel Expense Report available at the Finance Department or County website. The Travel Expense Report must include the business purpose for all expenses for which the employee is requesting reimbursement. Expenses for breakfast, lunch, and dinner should be reported as meals, not lodging. Original receipts are required for reimbursement of legitimate expenditures. Gila County pays on actual cost incurred only, within established spending limits, and has eliminated all per diem payments. Each individual incurring a business expense must prepare a Travel Expense Report. Except for lodging and meal expenses, expenses of one employee should not be reflected on the expense

report of another employee. If an employee purchases an airline ticket, proof of payment in the form of a credit card statement and the reason for the purchase must be attached to the Travel Expense Report. Any discount extended to travelers must be passed on to the County. Since reimbursable travel expenditures must involve an overnight stay and are based on actual costs, most travel and business expenses should not be taxable.

Air Travel

However air travel is booked, the following points apply:

- Airfare will be economy class and/or the lowest airfare available.
- The County does not pay for business or first class fares and does not permit “back-to-back” booking.
- First class upgrades, upgrades to other seats, and other premiums are not reimbursable and should be purchased only at the traveler’s personal expense.
- It is often possible to dramatically reduce airfares by traveling at non-peak business hours. Consider flying during non-peak business hours.
- Airfares can often be reduced by accepting connecting flights for your travel and not using a direct flight.
- Make travel arrangements as far in advance as possible to take advantage of the most economical rate. Discounts are generally available only when tickets are purchased in advance. Booking early allows a better opportunity for lower fares using this process.
- Earned Travel Points - When traveling on County business, the traveler is entitled to retain all mileage and points that are earned, which are to be used in any way that is allowed.
- Lost Tickets – It is the responsibility of the traveler to promptly notify the airline directly if a ticket is lost.
- Unused Tickets – It is the responsibility of the traveler to track and apply to future travel any unused tickets whenever possible. Unused tickets that expire create an unnecessary expense for the County.
- Baggage Restrictions – Check with an airline representative or with the ticketing agent at the airport regarding baggage restrictions. Additional charges may be charged by the airline. The County will reimburse for reasonable business related charges.
- Cancellations/Changes – Remember that in obtaining the lowest fare, penalties can be charged for cancellation or change. Any costs incurred as a result of a traveler’s personal preference and not a business necessity will be the responsibility of the traveler.
- Employees Traveling Together – Judgment is required when multiple senior executives/directors/managers are traveling to the same location. To mitigate business and succession planning risk, judgment should be used when considering who should travel on the same or different flights.
- Use of Personal Airplanes – Employees are not permitted to pilot or use personal aircraft on County business.
- Non-Commercial Aircraft Flights – The County specifically prohibits any employee from flying on any non-commercial aircraft unless approved by the Gila County Manager.
- Airline Clubs – Dues or initiation fees for airline clubs are not reimbursable by the County.

Ground Travel

Transportation on the ground and at point of destination should take into consideration the following points:

- Use of a rental car maybe permitted if continuous driving is required.
- Reservations should be made with a company that has a corporate rental relationship agreement with Gila County or the state of Arizona.
- Car Size – The County allows the rental of a compact sized car unless 3 or more people are traveling upon which the rental of an intermediate sized car is allowed.
- Return rental cars with a full tank of gasoline to avoid excessive tank-fill charges.
- Rental Car Insurance – Current County policy is to NOT accept rental car insurance for rentals in the United States. The County self-insures for this risk for rentals within the United States.
- Personal use of rental cars is to be paid for by the traveler.
- Personal Vehicles – County insurance does not cover personal vehicles used for County business reasons. Individuals will need to rely on personal insurance. The use of an individual's personal vehicle and reimbursement by the County will only be applicable when a County departmental or fleet pool vehicle is not available and the personal vehicle usage has been approved on the Pre-Travel Authorization form and the Travel Request Private Vehicle Authorization (see form TPV01) has been submitted to the Finance Department prior to the individual departing for his/her trip. All individuals must have on file with the Finance Department a Certificate of Insurance with coverage at least to the minimum amount required by Arizona law.
- Mileage Reimbursement – The County periodically establishes the mileage reimbursement rate for the use of personal vehicles. Mileage reimbursement is available based on odometer miles to commute by the most direct route.
- Reasonable Ground Transportation – Buses or shuttle services are usually available for a reasonable fee to transport passengers between airports and business districts. Taxicabs and private services are also available at higher rates and therefore taxi and private services should be used only when there are no other reasonable alternatives. Safety of travel should be a consideration in any decision.
- Parking and Traffic Violations – Any parking, speeding or other moving violations during business travel are the sole responsibility of the employee and are not reimbursable.
- Personal Vehicle vs. Airfare – If an individual elects to drive instead of fly, the mileage reimbursement is limited to the lesser of mileage or airfare and other associated travel expenses.
- Accidents—If an individual driving a privately owned motor vehicle on County business is involved in an accident, regardless of fault, the County will not reimburse the traveler for any physical damage to the motor vehicle.

Hotel Accommodations

When booking hotel accommodations, the following points apply:

- Accommodations are to be used that are convenient, meet business and personal needs, and offer good value. Generally, suites are not appropriate and should be used only when approved.

- Individuals may make a “late arrival guarantee” when making reservations. If individuals must cancel plans, advise the hotel as soon as possible to avoid a “no-show” billing. If individuals fail to cancel in advance, they will be responsible for all cancellation fees.
- When listing hotel charges on the Travel Expense Report, itemize them to show hotel, meals, telephone charges, other, etc.
- Hotel Phone Surcharges – To avoid excessive hotel telephone surcharges, employees should always use his/her assigned cell phone.
- Telephone Usage – Travelers will be reimbursed for all business calls and for reasonable personal long-distance calls while away from home. Calls from airplanes will not be reimbursed unless it is for an emergency.
- Personal Incidentals – The County will not reimburse for temporary use of hotel health clubs, massages, in-room movies or other items of personal comfort.
- Original hotel receipts identifying all charges are required.

Meal Expenses

When considering whether and the extent to which meals may be reimbursed, consider the following points:

- Meal expenses are reimbursable only if the traveler’s trip is away from the geographic area of the traveler’s office or work location and at least one overnight lodging stay is required.
- The individual should show the meals purchased and the type of meal by day on the Travel Expense Report.
- The purchase of alcoholic beverages with meals is a personal expense and is never reimbursable by the County.
- Reasonable Expenses for Meals – Reimbursement will only be made for meal expenses that are reasonable under the circumstances. The accumulation of expenses for meals for each day shall not exceed fifty dollars (\$50) per day for travel within the state of Arizona. For travel outside of Arizona, values by individual state locations as outlined in the Federal Government Travel Guidelines are to be used. Expenses for individual meals related to travel within the Arizona will be reimbursed on actual receipts not exceeding the following individual meal amounts of fifteen dollars (\$15) for breakfast, twenty dollars (\$20) for lunch and thirty-five dollars (\$35) for dinner. This amount includes an allowance for gratuities, tips. All requests for reimbursement must have receipts to substantiate the request and may NOT exceed the daily amount.
- Tips – Tips should be reasonable and need not be separated from the meal expense to which it applies.

Business Expenses

The County recognizes that there are circumstances in which business related expenditures are necessary for meetings or work sessions with clients, vendors or employees which do not involve travel or overnight stays. A business expense cannot be incurred and will not be reimbursed without a valid business purpose and must be pre-approved by the County Manager. The employee is expected to exercise good business judgment in conjunction with such

determinations. Further, the employee is charged with full documentation of the business purpose. The following points apply:

- Documentation – All individuals are required to substantiate in detail all business expenses incurred. This information includes the date of the expenditure, names and titles (official capacity) of persons involved, business matters discussed, and location of the expenditure. In addition, itemized receipts supporting each expenditure are required.
- In addition to completing the information required on a Travel Expense Report, business expenses must directly precede, include or follow a substantial and bona fide business discussion to be considered as “business entertainment” under IRS rules.
- Meals purchased in conjunction with a business activity should be included as expenditures on the employee’s Travel Expense Report.
- Business expenditures should have a specific business objective and provide a reasonable expectation of producing a benefit to the County commensurate with the expense.
- The purchase of alcoholic beverages for any employee, other employees or guests is a personal expense and will not be reimbursed.
- All business expenditures require receipts and justification prior to reimbursement.

Travel Expense Reports

Travel Expense Reports (see form xxxx) should be filed expeditiously. Please be aware of the following points:

- Individuals should file a Travel Expense Report within twenty (20) days after the completion of travel.
- In no case will expenses from a prior fiscal year be reimbursed if the Travel Expense Report is not submitted within the first two months of the new year.
- Receipts – All requests to Gila County for consideration of reimbursement for travel related expenditures must be supported by a receipt.
- All receipts should be original receipts and contain date, amount, and sufficient information to identify the vendor and the nature of the item or service being purchased. Credit card statements are generally not acceptable receipts.
- These procedures are required for the substantiation requirements of the IRS and ARS appropriate business practices.
- Commuting expenses to an employee’s office, such as mileage and parking, is a personal expense and is not reimbursable.
- Travel Expense Report approvals are as follows:
 - In all cases by the appropriate reporting Department Head/Elected Official.
 - Travel Expense Reports for Elected Officials must be reviewed by the County Manager or the Finance Director to ensure compliance with Gila County and ARS guidelines.
 - Travel Expense Reports over \$3,000 will be approved by the County Manager
- Reimbursements – Reimbursements will be made approximately fourteen (14) days after receipt of completed and approved Travel Expense Reports by the County Finance Department.
- Expenses Not Related to Travel – The purchase of office supplies, memberships, dues, computer equipment, corporate software, etc. should not be submitted for reimbursement using a Travel Expense Report. Such purchases, if not acquired via purchase orders, should be processed via a County procurement (“P”) credit card.

- Non-Reimbursable Expenses – Although not an all-inclusive list, the following expenses are considered personal and are not reimbursable under this policy:
 - Air phones
 - Airline clubs
 - Babysitting
 - Clothing
 - Country club dues
 - Credit card fees
 - Haircuts
 - In-room movies
 - In-flight movies
 - Laundry and dry cleaning
 - Mini bar purchases
 - No-show charges on limo and hotel
 - Personal entertainment
 - Traffic fines

Expectations

Under no circumstances shall expenses for personal travel be charged to or be temporarily funded by Gila County or any County Special Taxing District. Any violations will be referred to the appropriate departmental/elected office authority and are subject to disciplinary action up to and including discharge.

Travelers who knowingly and willfully submit falsified travel claims shall be referred to the appropriate departmental/elected office authority and are subject to disciplinary action up to and including discharge.

Post travel preparation of a Travel Expense Report form should be completed within twenty (20) days upon return of business trip. Any cash advance and all charges to a County issued credit card are considered an advancement of County funds and require an explanation of the reason for travel and receipts for all expenditures. Advances and charges are considered liens on the employee's wages and will be released upon completion of a Travel Expense Report with appropriate receipts and approvals. Failure to complete and have a Travel Expense Report approved will result in the total amount of the funds advanced deducted from the individual's two paychecks following sixty (60) days passed from the date charges are posted.