



ADMINISTRATIVE POLICY

SECTION: 400 -Financial Management	POLICY#: 402
TITLE: Travel and Business Expense	R & O #: 17-27
	IMPLEMENTED BY PROCEDURE #: 402A
SPONSORING DEPT/DIV: Support Services/Finance	
ADOPTED: 02/28/2017	REVIEWED:

PURPOSE:

The purpose of this policy is to establish guidelines regarding travel and business expenses incurred while conducting official County business.

AUTHORITY:

- IRS Publication 5137 (Taxable Fringe Benefits Guide)
- ORS 244.040 (Oregon Public Employee Ethics Statutes)

APPLICABILITY:

This policy is applicable to anyone traveling on County business unless otherwise directed by contract. Elected Officials are employees of the County for income tax purposes and, for this reason, are subject to this policy.

DEFINITIONS:

“Appointing Authority” means Department Director or designee.

“Business expenses” means those expenses that are necessary, prudent, and incurred while conducting County business.

“Commute miles” means the round-trip distance from an employee’s residence to their duty station.

“Duty station” means the location to which a person is assigned.

“Executive management” means a member of the Board of Commissioners, District Attorney, Sheriff, County Auditor, County Administrator, Assistant County Administrator, County Counsel, appointed Department Directors, Deputy County Administrators, Government Relations Manager, and others as designated by the County Administrator.

“Incidental Expenses” means the expenses related to overnight travel (excluding Airbnb, VRBO, and other lodging that does not provide the following services) to cover fees and tips given to porters, baggage carriers, bellhops, and cleaning staff.

“Local travel area” means travel within a 50-mile radius (including Clark County, WA) of the employee’s official duty station and does not involve an overnight stay, unless exempted in the procedure.

“Per diem” means the daily allowance for meals, related tips, taxes, and incidental expenses as defined above and as established by the General Services Administration (GSA). Alcoholic beverages, entertainment expenses, and any expenses incurred for other persons are specifically unallowable.

“Private Mileage Reimbursement (PMR)” means a rate of reimbursement set by the IRS to be paid to employees using their personal vehicles to conduct official County business.

“Travel expenses” means qualifying travel related expenses including, but not limited to, meals, registration fees, car rental, hotel charges and transportation fees, while traveling overnight and working in an official capacity representing the County.

“Travel status” means the authorized period of travel time away from the duty station from the time of departure to the time of return while conducting County business.

GENERAL POLICY:

Travel and business expenses must be reasonable and necessary while conducting County business. Persons traveling on County business are expected to be prudent and only incur costs they normally would incur if traveling at their own expense. Expenses solely for the benefit of an individual are not allowable.

Officials and employees shall make decisions regarding travel arrangements and expenses in the best interest of the County rather than for personal benefit(s), including, but not limited to, influencing travel arrangements to maximize accrual(s) of awards to the detriment of the County or public.

The County will not pay expenses for persons not employed by the County unless the person: 1) incurs the cost as a member of a County board or committee; 2) has traveled at the specific request of the County; 3) is serving as a volunteer to a County program; or 4) is providing services under a contract requiring such payment.

POLICY GUIDELINES:

1. Responsibilities:

The County Finance Division oversees the Travel and Business Expense Policy, reviews department travel records for compliance with policy and procedures, provides training to departments on implementation of the policy and procedures, completion of necessary forms, and advises on what is considered adequate supporting documentation. Questions regarding the intent or application of the policy or procedures shall be directed to the Chief Finance Officer, Controller, or Finance Operations Supervisor.

2. Transportation Expenses:

- 2.1. Airfares to be paid by the County may be booked through the County's travel agency or alternate providers (direct airline, Expedia, Orbitz, etc.).
 - 2.1.1. Reimbursement of airfare and accommodations paid with a personal credit card will be limited to the traveler's own airfare and accommodations.
 - 2.1.2. Class upgrades and itinerary/booking changes are the traveler's responsibility and must be paid directly by the traveler at the time of booking/change. Exceptions will be handled on a case by case basis with the approval of the appointing authority.
- 2.2. Airport parking will be reimbursed at the current Portland International Airport Economy Lot rate
- 2.3. Use of County vehicles must comply with the County's [Vehicle and Equipment Use Policy](#). Out of state use of a County vehicle must be reviewed with the County Risk Manager prior to such use.
- 2.4. Private Mileage Reimbursement (PMR):
 - 2.4.1. The use of a personal vehicle to conduct official County business shall be reimbursed at the private mileage rate consistent with the IRS standard mileage rate. PMR is considered full payment (including depreciation, insurance, maintenance, fuel and other operating costs) for personal vehicle use in lieu of a County vehicle.

- 2.4.2. Mileage Reimbursement for employees who are currently working under and approved Telecommuting Agreement per County policy 311:
- When an employee is working remotely per their Telecommuting Agreement, their remote location becomes their duty station for that day.
 - If travel to the office for a portion of the day during a remote day is required, then mileage reimbursement to and from the office can be claimed.
- 2.4.3. PMR is allowed for travel on official County business based on the most direct route between an employee's temporary duty station and primary duty station (i.e. employee's home when working remotely and the office).
- 2.4.4. Daily commute miles are not reimbursable regardless of the day in which the business travel occurred.
- 2.4.5. PMR may be claimed for the full distance of business travel that occurs after a normal work shift on the same day that an employee is required to return to work. For example, when a maintenance employee is called back to perform emergency repairs.
- 2.4.6. PMR for the use of a personal vehicle while in overnight travel status at a conference or training is reimbursable for trips such as travel to and from hotel and conference site or travel to and from lunch and conference site (if no suitable option is within walking distance). However, PMR should not be claimed for miles driven for personal use while on County Business such as sightseeing.
- 2.5. The rental of a vehicle must be authorized prior to travel by the department and County Administrative Office.
- 2.5.1. For rental procedures please contact Washington County Fleet Services.
- 2.6. Taxis, shuttle buses, rideshare (i.e. Uber and Lyft), and public transit are reimbursable when their use is necessary to conduct County business.
- 2.6.1. While in overnight travel status at a conference or training these modes of transportation are also reimbursable for trips such as travel to and from hotel and conference site or travel to

and from lunch and conference site (if no suitable option is within walking distance). However, reimbursement for these types of transportation should not be claimed for personal use while on County Business such as sightseeing.

2.6.2. Tipping on these services is reimbursable but should not exceed 20%.

2.7. Parking meters and parking lot/garage fees are reimbursable. Parking, taxis, and public transit charges of \$10 or less may be reimbursed without a receipt.

2.8. Coach or tourist class rail travel is reimbursable; however long-distance rail travel should be avoided when traveling on County paid time.

2.9. Employees should travel in the most economical manner possible (i.e. travel time plus travel cost). If they choose to take an alternate method of transportation, the County will reimburse up to the least expensive option. (i.e. if you choose to take the Train vs. flying, you must provide documentation for the cost of each mode as backup for the reimbursement request.)

3. Lodging Expenses:

Lodging is allowable on trips requiring overnight stays at a single occupancy rate unless the room is shared by another County employee. Employees are required to inquire about commercial or government lodging rates while traveling for County business. Airbnb, VRBO, and timeshares are allowable accommodations.

4. Business Meal Expenses:

4.1. Meals cannot be claimed for local travel related to the conduct of routine duties and responsibilities (e.g., an inspector in the field).

4.2. Business meal expenses occur when a County employee entertains a business associate and/or professional colleague over a meal during which business is actively conducted (alcohol is prohibited). For the meal to be considered nontaxable there must be a clear business reason for incurring the expense on an infrequent basis. A list of meeting participants and the business purpose must be included as documentation for reimbursement.

4.2.1. Use the GSA per diem rates per person as a guideline for your expenses.

4.2.2. Tipping on the meal should not exceed 20%. Tipping is not allowed on added fees or surcharges. The IRS provides the following guidelines to assist in the determination of whether

a business meal expense is non-taxable.

Is the meal 1) associated with the active conduct of the employer's business and 2) consumed directly before or after a substantial business discussion? Generally, an expense is associated with the active conduct of business if there is a clear business reason for incurring the expense. The employee or elected official must clearly document that the business discussion was substantial in relation to the meal expense.

- 4.3. The IRS has the final decision authority for making the determination that a meal is taxable or non-taxable. Should the County ever be subject to an audit by the IRS, the decision could be made by the IRS that a business meal expense is taxable even if all of the above is documented.
5. Per Diem for Meals and Incidentals (M&IE)
 - 5.1. In order to claim a non-taxable meal while traveling, a person must be on overnight travel status. IRS Reg. §1.274-5T(b)(2)
 - 5.2. Employees will only be paid at the federal meal per diem rates for the city to which the employee is traveling. Reimbursement will not be given for actual expenses incurred.
 - 5.3. Your M&IE allowance must be adjusted for meals furnished to you by the conference or hotel by deducting the appropriate amount shown at www.gsa.gov/mie. Reference the accompanying procedure for detailed examples (dietary restriction, continental breakfast, etc.).

On the first and last days of travel, employees will be given a prorated amount of M&IE that is equal to 75% of total M&IE. If meals are provided on a travel day you must deduct the entire allocated meal cost from the decreased M&IE rate. Reference the accompanying procedures for detailed examples.

6. Combining Personal Travel with County Business:

When an employee combines official County travel with holiday, weekend, vacation or other personal travel, reimbursements and payments will be made only for those costs necessary for the County's business portion of the trip. Transportation costs chargeable to the County must be for the most direct and/or economical route for County business.

- 6.1. Combining personal travel with authorized business travel including, but not limited to, staying extra days on personal leave at the destination or additional non-business destinations is allowed, provided the traveler pays any additional costs incurred as a result of

combining personal travel with authorized travel.

- 6.2. Dependent travel including, but not limited to, double occupancy hotel accommodations, attendance at banquets or receptions, and similar incidentals are also allowed provided there is no extra cost to the County. The traveler is responsible to pay any additional cost.
- 6.3. The benefit of combining personal travel with County business is only available while the employee is on official travel status. Additional costs, if any, are to be paid directly by the employee rather than be reimbursed to the County by the employee. While on travel status, the employee must follow the [Travel and Business Expense Procedure](#).
- 6.4. Reimbursement will be provided based on the lesser of what the County would have paid for the original County travel dates or the actual expense incurred. Detailed documentation must be provided.
- 6.5. The employee is solely responsible for reporting or otherwise addressing any tax consequences associated with this benefit.
- 6.6. Oregon State law prohibits public employees from using government rates, discounts, or contract services for personal travel expenses; personal expenses must be obtained at the rates generally available to non-public employees. ([ORS 244.040](#)). This statute prohibits a public employee from using or attempting to use his/her official position to receive a financial gain or avoid a financial detriment that would not be available but for the person's employment by a public agency.

7. Payment of Travel Expense:

- 7.1. Use of the County Purchasing Card (P-card) for all allowable business expenses is the preferred method of payment.
- 7.2. All travel related fees may be paid using a County purchasing card, processed as a check request prior to the trip, or paid by the employee and reimbursed after travel is completed.
- 7.3. Appropriate documentation as outlined in the procedure must be approved prior to making any pre-payments for events other than local travel. Accordingly, persons traveling on County business must first incur a cost before the County will reimburse any expenses.

8. Travel Expenses Paid by an Outside Entity:

Entities outside the County may pay for authorized employee travel. However, such payment must be as a reimbursement to the County and not as payment directly to the employee or to any vendor providing services

related to the authorized travel. Supporting documentation for these transactions shall be maintained for audit purposes. The following are exceptions:

- 8.1. An employee who is a member of a professional association attending a function as an official member (elected or appointed or invitee) may be reimbursed directly by the association for those travel expenses.
- 8.2. Travel expenses chargeable to a grant or contract awarded to the County shall be in accordance with this policy and accounted for according to the requirements of the grant or contract and the County's fiscal procedures
- 8.3. An employee traveling on behalf of another organization may have their travel plans directly arranged and paid by the requesting agency. If the outside organization will only reimburse the employee directly, the employee shall then reimburse the County for applicable costs.

9. Payment for Hours Worked While Traveling

- 9.1. If an hourly (non-exempt) employee is traveling for County Business, refer to OAR 839-020-0045 and the Oregon Bureau of Labor and Industries (BOLI) Employer FAQ and Fact Sheet for examples.
 - 9.1.1. If a department wishes to pay employees for time above and beyond what is required by BOLI, they must have an approved departmental policy that is applied fairly and evenly amongst all non-exempt employees.

10. Travel Awards:

- 10.1. Examples of travel awards are coupons, discounts, credit card rebates, frequent flyer miles, tickets and vouchers for being bumped from an airline flight. Employees should be aware of provisions of the Oregon public employee ethics statutes (ORS 244.040). This statute prohibits a public employee from using or attempting to use his/her official position to receive a financial gain or avoid a financial detriment that would not be available but for the person's employment by a public agency.
- 10.2. Travel awards including frequent flier miles, compensation for being displaced, and related items accrued or earned by officials and employees on official County business are part of the salary and benefits to which such officials and employees are entitled as compensation. County officials and employees shall be responsible for ensuring this compensation is reported as income for tax purposes to the extent required by law.

11. Exceptions:

The County Administrator shall have final authority for administering, interpreting, and applying the terms of this policy. Exceptions to this policy may be granted when they are in

the best interest of the County and requested in writing by a department director or designee. Exceptions must be approved in writing by the County Administrator or designee.

12. Implementation:

Elected officials, department directors, division managers, or designee are expected to be knowledgeable of and responsible for, implementing this policy within their respective business units. Observance of this policy is mandatory for all County employees and violation may result in disciplinary action up to and including termination.

13. Periodic Review:

This policy shall be reviewed by Support Services, Finance Division at least every three years and updated as necessary.