

EXHIBIT A

AS AMENDED



CITY OF PORTLAND
FINANCIAL POLICIES AND
ADMINISTRATIVE RULES

ACCOUNTING**FIN 6.13 OVERNIGHT AND OUT-OF-TOWN TRAVEL****Purpose**

This Administrative Rule establishes the City's policy for overnight and out-of-town travel on City business, when the expenses for such travel are paid for by the City of Portland. This policy is consistent with the Internal Revenue Service regulations for travel payment.

Responsibility

The Accounting Division, in the Bureau of Revenue and Financial Services maintains the authority to adopt administrative rules to govern the accounting and financial aspects of City of Portland expenses associated with travel for City business.

The Bureau of Human Resources maintains the authority to adopt administrative rules to govern employee behavior and expectations regarding travel for City business.

Scope

This policy applies to the following types of travel:

"Out-of-town travel" means travel on City business away from the regular work place or residence to a destination that is at least 100 miles away from City Hall.

"Overnight travel" means travel that requires an overnight stay, whether it is local or out of town.

"Qualifying day travel" means out-of-town travel that requires an employee to be away from the regular work place or residence for at least 12 hours, but does not require an overnight stay.

Other types of travel, including vehicle travel in town for City business, are not covered by this rule. Travel for City business that is paid for by an individual or agency other than the City of Portland is not covered by this rule.

Persons Eligible for
Reimbursement for
Travel-related
Expenses

The following categories of individuals are eligible to be reimbursed for travel-related expenses in accordance with the City travel policies and procedures.

- a. City employees.

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- b. Volunteers who serve as members of boards, commissions, or advisory committees, or who provide other authorized services to the City without pay.
 - c. Individuals who are neither City employees nor volunteers, but who provide a service to the City or are being considered as candidates for City positions, subject to the approval of the Commissioner-in-Charge.

For purposes of this policy, the term “traveler” is used to describe any person who is authorized to travel for City business.

**Allowable Expenses
Related to Travel**

Travel for City business includes conventions, conferences, meetings of professional associations, trainings, and meetings with others from which the City will derive benefit through the attendance of a representative.

Allowable expenses related to travel include airfare and other transportation expenses, conference and event registration fees, lodging expenses, per diem for meals and incidental expenses, and certain miscellaneous expenses as described in FIN 6.13.01 Allowable Expenses Related to Travel. The City uses nationally established rate guidance for these travel expense categories as described in FIN 6.13.01 Allowable Expenses Related to Travel.

**Purchase of Air
Travel**

City offices and bureaus are required to coordinate and purchase all air travel in a manner that allows for direct payment by the City. Air travel may be purchased through the City travel agents, through a conference-designated travel agent, or by using a City-issued procurement card to purchase a ticket via the internet based on a comparison of airfare alternatives. Reimbursement of airfare based on receipts is not permitted.

City Travel Agent

The Procurement Services Division of the Office of Management and Finance is responsible for contracting with one or more travel agents who will be responsible for providing any requested travel agency services to the City. City offices and bureaus may use the City travel agent to reserve and purchase air travel, lodging, rail travel, rental cars, and other travel as requested.

**Per Diem Rates for
Meals and
Incidentals**

It is the City’s policy that travelers will be reimbursed based on a per diem rate schedule as established in FIN 6.13.01 Allowable Expenses Related to Travel for meals and incidental expenses. Reimbursement based on receipts is not permitted.

Travelers are eligible for 75% of the established per diem rate for the destination for the first and last overnight travel days regardless of the time of day of their departure and return. The per diem shall be adjusted for meals provided to the traveler as part of conference registration or other hosted

EXHIBIT A

events. The per diem rate for meals may be reduced further at the discretion of the traveler.

**Qualifying Day Travel
Meals and Incidentals**

Travelers may be reimbursed for expenses incurred during qualifying day travel for meals and incidentals. The amount of the reimbursement is equal to 75% of the destination's Meals and Incidental Expenses (M&IE) rate as described in FIN 6.13.01 Allowable Expenses Related to Travel. This amount shall be adjusted for meals provided to the traveler as part of conference registration or other hosted events, and may be reduced further at the discretion of the traveler.

**Vehicle Mileage
Reimbursement**

Use of a personal vehicle is an allowable transportation expense for overnight and out-of-town travel. The City will reimburse at the Internal Revenue Service Standard Mileage Rates for business use for the lesser of A) the distance between the employee's home and the travel destination, or B) the distance between the employee's normal reporting location and the travel destination, however will not reimburse for an amount greater than the cost of available roundtrip airfare to the destination, without written justification.

**Ineligible Expenses
related to Travel**

Expenses incurred at the request of the traveler that are unrelated to City business are not eligible for reimbursement by the City. Examples include the additional cost of travel by an indirect route, travel for accompanying companions, and incremental costs incurred to add personal travel to travel for City business. The traveler shall pay any penalties for changes to or cancellation of personal travel, regardless of cause.

**Approval of Travel-
related Expenses
(Pre-travel)**

All travel-related expenses must be authorized in advance of the travel occurring, using the Travel Authorization/Expense Report form, and must be approved by the bureau director and the bureau's Commissioner-in-Charge.

Commissioners-in-charge can authorize one or more designees to approve such travel requests on their behalf, if the authorization is in writing and submitted to the City Controller.

Bureau directors can authorize one or more designees to approve such travel requests on their behalf, if the authorization is in writing and submitted to the City Controller.

Approval of Travel by Bureau Directors: Travel expenses for bureau directors must be reviewed and approved by the director's Commissioner-in-Charge, or designee.

Approval of Travel by Elected Officials: Administrative Rule ADM 16.01 Elected Official Payment Approval authorizes each elected official of the City of Portland to officially sanction trade-promotion and fact-finding missions and trips, and to approve acceptance of payment for his or her own

EXHIBIT A

reasonable expenses for officially designated or officially sanctioned activities. No further approvals are required.

Travel Advances

In general, travel advances are not permitted. Bureau directors have the authority to approve individual exceptions to this requirement on a case by case basis only for per diem for meals and incidental expenses. The intent of allowing such an exception is to avoid creating a financial hardship for an individual traveler. The exception must be supported by written justification and approval by the bureau director.

Approval of Travel-related Expenses (Post-travel)

All travel-related expenses must be reviewed after the travel occurs.

- a. If the actual travel-related expenses are less than 10% above the pre-travel approved estimate, bureau director approval is not required. However, the bureau shall ensure that there is review and approval of actual expenses by an authorized staff person to ensure accuracy and completeness of the travel documentation.
 - b. If the actual travel-related expenses are 10% or greater above the pre-travel approved estimate, the actual expenses must be submitted by the traveler with a written justification for review and approval by the bureau director, or designee.
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Prohibited Travel Destinations

The Mayor and/or the City Council may determine, from time to time, that the City of Portland should not use City resources to travel to certain jurisdictions, states, or countries that have enacted discriminatory laws or statutes. Travel procedure FIN 6.13.02 Prohibited Travel Destinations will be updated by the Chief Administrative Officer at the direction of the Mayor or the City Council to identify these prohibited travel destinations. The responsibility for ensuring compliance rests with bureau directors. Exceptions may be granted in writing only by the Commissioner-in-Charge.

Exceptions

Bureau directors are authorized to request exceptions to this Administrative Rule and related procedures for specific unique situations, based on extraordinary circumstances. All exceptions must be pre-approved by the City Controller, based upon a written request and justification provided by the bureau director.

Authority

The Chief Administrative Officer is authorized in City Code 3.15.010 to adopt procedures that are consistent with this policy.

Related Policies and Procedures

FIN 6.13.01 Allowable Expenses Related to Travel
FIN 6.13.02 Prohibited Travel Destinations
FIN 6.13.03 Payment Methods for Travel

HRAR 4.10 Travel

HRAR 4.07 Awards, Gifts, Prizes and Promotional Items

ADM 16.01 Elected Official Payment Approval

**Administrative Rule
History**

Adopted by Ordinance 181046, effective July 1, 2007.

Revised by Chief Administrative Officer March 30, 2015.

Revised by Ordinance XYZ, effective April 1, 2016.

FIN 6.13.01 Allowable Expenses Related to Travel

Meals and incidental expenses

Overnight Travel Per Diem

The per diem rate covers meals (meal expenses, meal taxes, and meal gratuities), as well as incidental expenses (such as gratuities to baggage carriers, bellhops and housekeeping).

For the continental United States, the per diem rate will be the same as the one published on the U.S. General Services Administration website, identified as the Meal and Incidental Expenses (M&IE) rate ([GSA Per Diem Rate Look Up](#)). For International Travel, the per diem rate will be the rate published by the US Department of State ([Foreign Per Diem Rates by Location](#)). For travel to Alaska and Hawaii, the per diem rate will be the rate published by the US Department of Defense ([DOD Per Diem Rates Query](#)).

These websites provide the per diem rate for meals and incidentals combined on the main page for each destination. The websites also offer more detailed breakdowns for meal expenses and separately for incidental expenses, however for Continental US and foreign locations, the traveler only needs to know the full combined amount. The Per Diem Calculator provides guidance on how to enter the amount for incidental expenses based on location.

Required adjustments to per diem rates

The per diem shall be adjusted for meals provided to the traveler as part of conference registration or other hosted events as follows: the per diem reimbursement will be reduced by 25 percent for breakfast or lunch and 50 percent for dinner. Breakfasts or other refreshments provided as part of a standard room rate are not considered "provided meals;" the traveler is not required to adjust the per diem for these.

If a full day's meals are provided, the per diem for incidental expenses will still be provided. For the continental United States, the per diem for incidentals is \$5 per day for all locations. Foreign, Alaskan, and Hawaiian per diem rates for incidentals vary by location.

Required adjustments for Day of Departure/Day of Return

Travelers shall be reimbursed at 75 percent of the per diem rate for the destination city/county regardless of the time of day of their departure or return.

Allowed reductions to per diem rates

Travelers may choose to not be reimbursed for the full per diem amount based on their own discretion. Reductions shall only be taken in 25% increments using the per diem calculator. If a traveler chooses to forgo all per diem reimbursement for the trip, the per diem calculator should not be used.

Qualifying Day Travel Meals and Incidental Expenses

Travelers may be reimbursed for meals and incidental expenses that allow them to work the extra hours that qualifying day travel requires. The City shall calculate the reimbursement amount as 75% of the GSA M&IE rate for the travel destination location. The amount shall be adjusted for meals provided to the traveler as part of conference registration or other hosted events as follows: the amount will be reduced by 25 percent for breakfast or lunch and 50 percent for dinner. Travelers may also choose to not be reimbursed for all or part of the amount.

Transportation expenses

The following transportation expenses are eligible for reimbursement to the traveler.

Airfare

The standard coach fare for airline common carriers is allowed. Expenses for air travel should be the lowest cost practical alternative, based on a comparison of available fares and business needs.

Airline travel arrangements may be made through the City Travel Agent(s), through a conference-designated travel agent, or via the Internet using online travel booking services. The purchase must be made in a manner to allow for direct payment by the City, i.e., either through direct billing by the provider or through use of a City-issued procurement card. Reimbursement based on individual purchase of airfare is not permitted.

A copy of the travel statement provided by the City Travel Agent, the conference-designated travel agent, or the online travel company or airline (after Bureau approval and booking), must be included as supporting documentation.

Rental Vehicles

Rental of automobiles is allowed only when regular means of transportation are unavailable or inappropriate for a particular use. "Economy" or "compact" vehicles will be used unless there are three or more persons. The renter shall purchase the "collision damage waiver" insurance that covers damage to the vehicle, in addition to ensuring that liability insurance for bodily injury and property damage is included in the rental agreement (usually provided without extra cost). An itemized car rental receipt must be submitted as supporting documentation.

Private vehicle usage

Bureaus may authorize use of private vehicles for travel. If authorized, the City will reimburse at the IRS Standard Mileage Rates for business use. For transportation to and from the destination, the City will reimburse for the lesser of A) the distance between the employee's home and the travel destination, or B) the distance between the employee's normal reporting location and the travel destination, however will not reimburse for an amount greater than the cost of available roundtrip airfare to the destination, without written justification. Any local transportation at the destination will be reimbursed based on actual miles driven. A print-out of an online map showing the shortest distance between the departure/return location and the destination must be provided as supporting documentation, as well as documentation about available airfare costs. The Use of Personal Vehicle worksheet can be used to calculate the reimbursement amount.

Transit

The City will reimburse the scheduled route fares for bus, light rail, subway, and local train travel. Validated tickets may also be submitted as evidence of expenditures.

Private for Hire Transportation

Miscellaneous transportation expenses such as taxi, airport transport and ride-sharing service (transportation network company - TNC) fees, including related gratuities, with reimbursement based on actual expenses with receipts.

Bicycles

Travelers may be reimbursed for bicycle rentals when used for local transportation in lieu of taxis or transit service. Documentation of the rental must be provided for reimbursement.

CityFleet vehicle usage

Employees using a vehicle from the CityFleet pool may be reimbursed actual costs for out-of-town fuel and emergency repairs with receipts.

Parking

Terminal parking, hotel parking and other related parking fees may be reimbursed based on actual expenses with receipts.

Tolls

Bridge, ferry and road tolls may be reimbursed, based on actual expenses with receipts or documentation of established rates.

Rail Travel

Standard coach-type fare for railroad common carrier. For overnight rail trips, reimbursement for sleeper accommodations is limited to one roomette per person. Bedrooms are allowed only when roomettes are not available. Receipts must be provided.

Lodging expenses

Expenses for lodging should be reasonable and should cover the costs of a standard, single occupancy room. Employees, supervisors, and managers should consider a number of factors in determining what is reasonable given the potentially significant variation in lodging prices depending on market-based demand.

The U.S. General Services Administration website provides guidance on per diem rates for lodging in the continental United States ([GSA Per Diem Rate Look Up](#)) that may be used as guidance. Other factors to consider include: allowing the traveler to stay at the conference or training host hotel; the proximity of the lodging to the conference, training center, business, or meeting location; the average available rates for lodging at the time of travel for that particular destination; the best use of the employee's time and the employee's effectiveness upon arrival; and the avoidance of other travel expenses (e.g. additional transportation charges). Travelers and bureau approvers need to use their discretion to determine what is reasonable.

Employees should provide a brief explanation on the travel authorization form for lodging expenses that are significantly higher than the average available rate or the GSA published rate.

Reimbursement will be for the actual cost of lodging, including taxes. The City will not reimburse for any optional extra charges, including but not limited to separately itemized breakfast charges, voluntary service charges, etc. An itemized receipt needs to be provided as documentation.

If employees share a room, travelers need to determine if lodging costs will be split or paid by only one traveler and should be noted on the travel authorization form. If an employee shares a room with a travel companion who is not a City employee, the City will reimburse only up to the single lodging rate.

The City will not reimburse an employee staying in a personal residence, unless such lodging is arranged via an authorized lodging reservation service and documentation of the actual cost of lodging, including taxes, is provided.

Miscellaneous Travel Expenses

The following are examples of other business-related expenses that are not included in the expense categories above. These expenses are reimbursable when submitted with a receipt or contemporaneous record:

1. Telephone and fax charges.
2. A brief (up to 15 minute) personal call to the employee's residence each day of travel. Personal calls to advise the employee's household of changes or delays in travel plans are also reimbursable.
3. Postage and shipping.
4. Emergency purchase of materials or supplies.
5. Visa and passport expenses, when directly related to City travel.
6. Laundry expenses if traveling on business more than seven days.
7. Internet access charge to open and respond to City email.
8. Check-in baggage fees. Travelers should limit the number of bags based on business need.

Ineligible Expenses

The following are examples of expenses that are not reimbursable:

1. Personal expenses, including, but not limited to: in-room movies, telephone calls in excess of the allowable calls, in-room meal and beverage services, including "mini-bar" purchases of beverages or snacks.
2. Dependent care, pet boarding or house sitting expenses while the employee is traveling.
3. Additional expenses incurred by traveling with a companion.
4. Parking and/or traffic tickets for violations of laws or regulations.

FIN 6.13.03 Payment Methods for Travel

The following provides additional guidance on the acceptable payment methods for travel.

Receipt or invoice based purchases

For travel expenses for which the City requires a receipt or an invoice for payment (e.g. airfare and other transportation expenses, lodging, conference registration fees, and vehicle rentals), the City requires direct payment, whenever possible - either through direct invoicing to the City and payment via the City's financial systems, or by using a City procurement card for the purchase.

Travelers should work with bureau travel coordinators and bureau finance and operations staff to arrange for direct billing and payment. In limited circumstances, a traveler may pay using a personal method of payment (credit card, debit card check, cash) if direct payment is not feasible. Certain situations, e.g. paying for transit fare, may not allow for direct payment.

For receipt or invoice based purchases, if the traveler uses a personal credit card that provides "points", "cash-back" or other bonus provisions to the cardholder, those benefits are considered part of the employee's official compensation package. The traveler is responsible for calculating and reporting the tax implications, if any, for additional benefits received as a result of using a personal credit card; the City will not issue a separate Form 1099-MISC. The City is also not responsible for any interest incurred on charges made on the traveler's personal credit card and cannot expedite reimbursement payments in order to meet personal credit card payment deadlines.

Frequent travelers (one or more times per year) should be issued a procurement card to use for their travel payment needs.

Airfare Example:

The City can pay for airfare in one of two ways – through direct payment when using the City Travel Agent or through use of a city-issued procurement card. If a traveler has a procurement card, they can make the payment themselves; if the traveler does not, the bureau travel coordinator or other bureau finance and operations staff member can make the payment. Because airfare is always purchased in advance, there should be no situations in which a traveler would need to, or be allowed to, use a personal payment method for airfare.

Lodging Example:

The City should arrange to pay for the room rate directly when booking lodging accommodations – either through pre-payment using a City procurement card, having the traveler use his/her City-issued procurement card, or making arrangements to have the charges paid at the time of travel via a bureau procurement card. Generally, a traveler's personal credit card should only be used for incidentals (in-room movies, etc.) not covered by the City. On occasion, hotels may not allow for pre-payment or allow for the charges to be made to the credit card used at the time of reservation if the card was not issued in the name of the visiting traveler. In that case, a traveler may use a personal payment method and be reimbursed for the expense. The traveler is responsible for reporting for tax purposes any benefits that may accrue to them as a result.

Per diem and vehicle mileage reimbursement

Per diem for Meals and Incidental Expenses (M&IE) and vehicle mileage reimbursement for use of a personal vehicle for City business are not based on receipts or invoices, but rather, based on standard rates established by federal agencies. Since the City is not reimbursing for direct expenses and does not require receipts, the traveler may use any method of payment. Purchases made are at the traveler's discretion and any "points" received due to the traveler's choice of payment method are not attributable to their employment with the City.

Vehicle mileage reimbursement example:

The vehicle mileage reimbursement rate is established by the Internal Revenue Service and is based on miles driven. The rate is intended to cover the costs of operating a car for business purposes. The costs contemplated by the standard mileage rate include fuel costs, vehicle maintenance and repair, insurance, and registration fees. The vehicle owner is likely to pay for these costs using various payment methods. Any "points" accrued through use of a particular credit card or particular service station, etc. for these purchases are not a result of employment with the City, as they are not directly reimbursed, and do not need to be reported. The City does not compensate for the actual cost for maintaining and operating vehicles, which may vary widely depending on an employee's personal choices (e.g. hybrid vs. SUV, new car every four years vs. every ten years, premium vs. regular fuel, etc.). City procurement cards should not be used for any of these expenses.

Per diem example – continental United States:

Per diem for M&IE is based on standard daily rates established by the GSA for different locations and is intended to cover the appropriate costs for meals and incidentals for that locale for the day. The City does not reimburse based on receipts and does not direct the choice of meals, nor the choice of payment methods. Any "points" accrued through use of a particular credit card or by dining at a particular restaurant are not a result of employment with the City, as they are not directly reimbursed, and do not need to be reported. The City does not compensate for the actual cost of meals and does not direct the choice of meals. City procurement cards should not be used for any of these expenses. (A City procurement card may be used to purchase a meal as part of a conference registration. Adjustments based on the cost of the conference meal are not allowed; instead, a reduction to per diem is made in such situations based on the type of meal (breakfast 25%, lunch 25%, dinner 50%).