

ORIGINAL

RESOLUTION NO. 228

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, REPEALING RESOLUTION NO. 111 AND CONSOLIDATING VARIOUS BUSINESS EXPENSE POLICIES WITH REGARD TO REIMBURSEMENT OF BUSINESS EXPENSES, PAYMENT OF SEMINAR OR CONFERENCE REGISTRATION FEES, PURCHASE OF FOOD AND BEVERAGES AT CITY SPONSORED MEETINGS AND EVENTS, AND ALLOWABLE SISTER CITY EXPENDITURES.

WHEREAS, the City Council wishes to repeal Resolution 111; and

WHEREAS, the City Council wishes to consolidate various financial policies to govern the expenditure of City funds for business and travel related expenses; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON AS FOLLOWS:

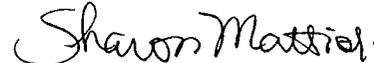
Section 1. Resolution Number 111 and Statement of Policy for the Reimbursement of Business Expenses (Clerk's Receiving No. 853) are repealed in their entirety.

Section 2. Authorization. The City Council hereby adopts the Business Expense Policy as attached to this resolution with regard to reimbursement of business expenses, payment of seminar or conference registration fees, purchase of food and beverages at City sponsored meetings and events, and allowable Sister City expenditures, which policies have been filed with the City Clerk and given Clerk's Receiving Number 3260.

ADOPTED BY THE CITY COUNCIL ON February 7, 2005.


Mayor Ronald B. Hansen

ATTEST:


Sharon Mattioli, City Clerk

ORIGINAL

STATEMENT OF POLICY OF ALLOWABLE BUSINESS EXPENSES

SECTION 1: GENERAL PURPOSE

This document is the policy of the City of Shoreline, Washington for the reimbursement of business expenses by the City including travel, subsistence and related expenses, and certain non-travel related expenses incurred by authorized persons while conducting City business or providing a service for the City. To qualify for reimbursement, expenses must be reasonable and prudent under the circumstances and directly related to the conduct of business or service for the City. Reimbursement will be made subject to the rules contained in this policy and with Chapter 42.24 RCW.

It shall be the responsibility of the Finance Department to ensure that these policies are adhered to and to provide the forms and instructions necessary for their implementation. Exceptions to the rules set forth herein may be made only for unusual or extenuating circumstances when such expenses reasonably relate to a benefit or service received by the City and compliance was not feasible. Policy exceptions may be authorized in writing by the City Manager or his/her designee.

SECTION 2: CITY EMPLOYEES AND CITY OFFICIALS

2.1 DOCUMENTATION

No claim for reimbursement shall be paid unless it is accompanied by a bona fide vendor's receipt, except for per diem claims. Such receipts should detail the following information, when applicable: date, description of purchase, vendor identification, amount paid, name of individual incurring expense, official title or capacity, nature of topic discussed, and how the expense relates to city business. Meal ticket stubs are generally not considered adequate documentation for reimbursement.

Specific rules for the approval of a reimbursement claim are included in Section 5.

2.2 REIMBURSABLE MEAL COSTS

Payment for table service at a restaurant, commonly referred to as a tip, not to exceed 20% of the restaurant prices of the meal, is reimbursable as a reasonable and necessary cost for such service and as a reasonable and necessary part of the cost of the meal. Such tips may be added to the restaurant prices of business meals for reimbursement.

All City employees and officials claiming reimbursement for meals consumed while on City business shall be entitled to per diem reimbursement based on the following schedule:

2/9/2005

Per Diem Meal Allowance Schedule Including Tip and Tax

Breakfast	\$12.00
Lunch	\$12.00
Dinner	<u>\$24.00</u>
Total	\$48.00

In lieu of utilizing the per-diem rate table above, meal reimbursement may be claimed at actual meal costs up to 150% of the per diem rates, where adequately documented. Adequate documentation is an itemized restaurant receipt. Meal ticket stubs are generally not considered adequate documentation for reimbursement. In no event shall any single meal be reimbursed in excess of 150% of the per diem rate for that meal, unless approved in writing by the City Manager.

Any planned meals, the cost of which is included in a City-paid registration fee, whether or not the employee or official actually partakes of the meal, will not be reimbursable or eligible for per diem. (Planned meals include continental breakfast, box lunches and banquets. Receptions at which hors d'oeuvres are served are not considered meals.)

When a meal is included in a meeting and the costs cannot be segregated, the actual cost of the event is reimbursable. A vendor receipt or copy of the meeting agenda is required as documentation.

2.3 FOOD AND BEVERAGES AT CITY MEETINGS, EVENTS, AND EMERGENCIES

A. City Council Meetings

- Prior to regular evening meetings, dinners may be provided for Councilmembers, the City Manager, other staff, and invited guests directly involved in the business discussed at the evening meeting.
- It has become a Shoreline tradition to provide beverages and candy at Council meetings.

B. City Sponsored Public Meetings

- The City may expend reasonable funds for food and beverages at City sponsored public meetings to encourage attendance and interaction.

C. Ceremonies/Celebratory Events

- Food and beverages may be served at recognition ceremonies for employees and volunteers.
- Food and beverages may be served at celebratory/recognition dinners for sister city delegates and employees to facilitate meetings between delegates, officials, and staff since the sister city relationship provides a public benefit. (Refer to Section 6, Sister City Program)

D. Training Sessions and Staff Meetings

- Food and beverages may be provided at staff meetings and training sessions of four hours or more.
- Beverages may be provided at citywide staff meetings.
- Food and beverages of minimal value may be provided to volunteers during staff supervised work or training sessions.

E. Council and Staff Retreats

- Food and beverages may be provided at both Council and staff retreats and should be budgeted for and provided as part of the retreat process.

F. Workplace

- Beverage of minimal value may be provided to City employees at the work site during business hours.

G. Emergencies

Emergency situations are events where it is determined that City assets or infrastructure and/or the public for which it protects is at risk. In these cases City staff may be required to remain on-site outside of their normal work shift.

- Food and beverages may be provided when an emergency situation is expected to span over a regular meal period and employees are required to remain on-site or available to respond to an emergency.
- Reimbursement or direct City purchases may be made for food and beverage expenses incurred within an employee's official capacity to continue the operations of the City's programs or services that are necessary for the life, health or safety of Shoreline's citizens.

City of Shoreline Policy - Reimbursement of Business Expenses

- The cost for City provided meals should generally be in line with allowable costs under the City's business expense policy.

2.4 EXPENDITURES NOT ALLOWED AS ACTUAL MEAL COSTS

Unauthorized expenditures include, but are not limited to:

- Liquor (including beer and wine)
- Expenses of a spouse or other persons not authorized to receive reimbursement under this policy.

2.5 TRANSPORTATION AND RELATED TRAVEL EXPENSES

A. CITY VEHICLE

Costs of transportation and vehicle operation are acceptable, such as gas, oil, tires, tolls, ferry charges, parking and necessary repairs.

B. PERSONAL VEHICLE

Expenses shall be reimbursed for travel within a 300 mile radius of the City at such rate per mile as shall be established from time to time by the Finance Department, but not to exceed the then current maximum rate allowed by the United States Internal Revenue Service for reimbursement of such expenses for purposes of business travel expense deductions. Trips beyond this limit will be reimbursed in an amount equal to the lowest appropriate round trip air fare to the destination offered by a regularly scheduled commercial air carrier, plus an allowance for ground transportation based on the circumstances.

Mileage reimbursement will be calculated based on the round trip distance between City Hall and your destination or your actual mileage, whichever is less.

When travel is scheduled by public conveyance (bus, train, air, etc) outside a 300-mile radius, surface transportation to and from the conveyance depot/airport is appropriate.

Employees should exercise appropriate judgment and discretion in selecting a parking site when it is required to park a car while using other modes of transportation such as a plane. Often it is more cost effective to use parking services other than those provided directly within airports.

City employees and City officials who receive an automobile allowance in lieu of City provided transportation shall not be entitled to further reimbursement for surface transportation costs within a 300 mile radius of the City. Travel outside of a 300-mile

radius will be calculated as described above, except that no mileage reimbursement for surface transportation shall be allowed for travel to and from any Seattle area airport.

C. RENTAL VEHICLE

The cost of vehicle rental is considered an exception to this policy and must be approved by the appropriate supervisor. A copy of the written approval must be attached to the Employee Expense Reconciliation Form or to any City credit card acquisition.

D. AIR TRAVEL

Arrangements for air travel on City related business may be managed by the Purchasing Division or individuals may make their own air travel arrangements. The following policies are applied to the acquisition of air travel.

- The Purchasing Division will purchase the lowest available fare for the nearest regularly scheduled flight at the time of travel requested, and the destination as specified by the requisitioning department.
- When personal travel is combined with business related travel, the traveling employee shall be responsible for paying the increase in airfare necessary to accommodate the personal part of the flight. The City shall pay for the lowest reasonable and available airfare for the round trip between a Seattle area airport and the business-related destination. The employee's payment for personal travel shall accompany the City's payment to the vendor for the tickets.
- When changes in travel plans occur that are the result of City business requirements, (i.e. delays in departure, cancellations, extended stays, or revised itinerary) any associated costs shall be paid by the City. However, all increases in cost of travel due to changes for personal convenience will be borne by the employee.
- Failure to notify the Purchasing Division in advance of the departure date may result in higher fares. If this occurs, any increase in cost due to lack of sufficient notice, shall be passed on to the traveling employee. If the lack of advance notice was beyond the control of the traveling employee, the City will pay the higher cost, however, the reimbursement claim must include the written certification of the department director stating the reason for the short notice travel plans and why it was beyond the control of the employee.
- Alternatively, employees may make their own air travel arrangements. They may use their own funds and submit a request for reimbursement or they may use a City credit card that has been designated for travel purposes. If they have been given authorization to use their P-card for travel expenses, they may also use that method. The employee is only eligible to receive a reimbursement for self-arranged tickets up to the lowest cost that the City could have obtained directly.

E. OTHER TRAVEL EXPENSES

Miscellaneous travel costs such as bus, taxi, bridge or other tolls, parking, ferry, porter, bellhop and the like (not including any maid service) are authorized by a listing of same as provided by the reimbursement form. Payment of a reasonable amount for porter service, bellhop service and the like is considered to be a necessary payment for such service and, therefore, reimbursable.

A vendor's receipt will be required only when the single item cost of this type of expense exceeds \$10.

F. ACCOMMODATIONS

Reasonable hotel/motel accommodations for employees and officials are acceptable and will be reimbursed or paid at a maximum of the single room rate of the specific hotel or motel. A vendor's receipt for this category is required for all claims. Direct billing of Hotel/Motel charges is only allowed when a purchase order is issued by the Purchasing division.

G. INCIDENTAL EXPENSES

This category includes all reasonable and necessary incidental expenses and includes, but is not limited to, the following:

1. ALLOWABLE INCIDENTAL EXPENSES

- Laundry expenses if away from home three (3) or more working days.
- Baggage checking.
- Business telephone and postage expenses.
- One telephone call home per day if away from home for more than 24 hour duration is considered a business telephone expense. Phone calls home should not exceed 15 minutes per day.

2. NON-ALLOWABLE INCIDENTAL EXPENSES

- Personal entertainment.
- Theft, loss or damage to personal property.
- Expenses of a spouse, family or other persons not authorized to receive reimbursement under this policy.

- Barber or beauty parlor.
- Airline and other trip insurance.
- Personal postage, reading material .
- Personal toiletry articles.

2.6 MOVING EXPENSES

The reasonable moving expenses of new employees in certain management and "hard-to-fill" professional trade positions are reimbursable at the discretion of the City Manager. Moving expenses shall mean the costs of moving household goods, furniture, clothing and other personal effects of the new employee.

SECTION 3: NON-CITY EMPLOYEES AND NON-CITY OFFICIALS

3.1 RECRUITING COSTS

The reasonable expenses of candidates for certain management and "hard-to-fill" professional trade positions are reimbursable when such candidates are invited to visit Shoreline for a personal interview. City Manager approval is required for all expenses to be reimbursed before invitations are issued to candidates.

The invitation shall specify the current per day meal allowance and the requirement that other expenses be documented and turned over to the recruiting official who will prepare the reimbursement claim. Unless otherwise directed by the City Manager, the written invitation for interview and arrangements for transportation and lodging will be made by the Human Resources Department or designee.

A copy of the interview invitation with supporting documents will be used as the customary vendor's statement.

The expense guidelines contained in Section 2 of this policy will be applied to recruiting claims. Other incidental expenses are limited to transportation to and from the Sea-Tac Airport and necessary telephone calls to City staff.

3.2 BUSINESS EXPENSE REIMBURSEMENT FOR NON-CITY EMPLOYEES AND NON-CITY OFFICIALS

Claims for reimbursement of business expenses for non-city employees and non-city officials will be allowed only under the following conditions:

- Authorization by the City Manager, or his/her designee is included with the reimbursement request, identifying the following:
 - The name(s) of the individual(s) incurring the expense;
 - Their official title or capacity as it relates to City business;
 - The nature of the topic or topics discussed; and
 - Why the business expense was appropriate.

SECTION 4: SEMINAR OR CONFERENCE REGISTRATION FEES

Payment of seminar or conference registration fees may be processed by the Finance Department by initiating a Purchase Requisition or a Check Request. Fees may also be paid by P-card or by following the appropriate reimbursement policy. Details of the conference/seminar should be included in the body of the requisition or Check Request. Items such as dates, location, sponsoring organization, and registration deadline are useful information to assure prompt payment of the registration fee. If the conference or seminar is out of town and will result in overnight accommodations and/or travel expense, the traveling employee is responsible for obtaining the appropriate travel authorization through his/her department which adheres to this business expense policy. Travel arrangements, i.e. airline passage or automobile travel, is subject to the applicable sections of this policy.

When cancellation of a seminar or conference results in a penalty, then the amount of the penalty will be deducted from the refunded registration fee, and the requesting department will be charged for the penalty.

SECTION 5: EMPLOYEE DUES AND MEMBERSHIPS

It is the policy of the City of Shoreline to pay for the annual dues and memberships for employees in professional and civic organizations which directly relate to their specific job classification and directly benefit the City and the employee by providing staff with the network and information to further develop themselves in their professional capacity.

SECTION 6: CLAIMS AND APPROVAL PROCEDURE

An approved Business and Travel Reconciliation Form must be submitted to the Finance Department within fifteen (15) days after completion of each business trip, regardless of the method of payment of the travel expenses. Travel and subsistence expenses will not be paid from any Petty Cash Fund except as allowed by Petty Cash procedures.

City of Shoreline Policy - Reimbursement of Business Expenses

Receipts must be attached to the reconciliation form for all expenses incurred, with the exception of per diem calculations for meals and miscellaneous travel costs less than \$10. If the travel was related to a meeting, conference or seminar, attach a copy of the itinerary or similar document detailing dates, times and meals provided as a part of the registration cost. If documentation is not available, attach a brief memo with that information.

The reconciliation form should detail expenditures individually applicable to the use of a City P-Card, City MasterCard, and/or cash expended out of pocket.

Any special approvals required by this policy shall be obtained by employees prior to applicable travel and shall accompany the reconciliation form when submitted to the Finance Department. Such approvals shall be by separate memo, which identifies the policy exception being authorized and explains the reasons therefor.

All non-Council reimbursement claims must be authorized by the claimant's supervisor, department director, City Manager, or a management employee authorized to act on their behalf.

Claims may include the reimbursable cost of other City officials or employees who would be entitled in their own right to claim business expenses.

Claims of Councilmembers must be approved by the City Manager or his/her designee.

Claims that are rejected may be referred for review and disposition to the Finance Director or his/her designee.

SECTION 7: SISTER CITY PROGRAM

The City of Shoreline has established a Sister City Program to seek an enhanced understanding of international culture, heritage and problem solving. The program was originally enacted via Resolution No. 194 on October 14, 2002 and subsequently revised via Resolution No. 213 dated April 12, 2004. Sister City relationships provide mutual benefit by creating opportunities to participate in social, cultural, educational, governmental, environmental and economic exchanges as well as promoting tourism and trade.

Sister City relationships often result in visits of City staff and officials to the Sister City as well as visits to Shoreline by dignitaries and officials of the Sister City. Typical activities when visiting with a Sister City (either at home or abroad) include meals, business meetings, receptions, official gift exchanges and other informational exchanges. Expenses associated with such activities are considered an appropriate public expense. Direct payment of and/or reimbursement of such expenses must comply with the following guidelines and internal controls as adopted by the city's business expense policy:

City of Shoreline Policy - Reimbursement of Business Expenses

7.1 TRANSPORTATION

- The city may pay for airfare and transportation costs for Sister City delegates and staff.
- The city may pay for airfare and transportation costs for City staff and City officials traveling to Sister City locations. (State law authorizes cities to pay for travel expenses of its officers and employees while on city business, including transportation, lodging and meals.)
- Airfare and transportation costs for non-staff, including spouses and children, should be avoided. The cost is only allowable if the individual is directly involved in relations between the Sister City and Shoreline.

7.2 ACCOMMODATION

- The city may pay reasonable costs for accommodation of Sister City delegates and staff, and for our city staff visiting our Sister City location.

7.3 MEALS

- Meals may be provided to Sister City delegates and staff members when provided as part of meetings with city officials and staff. The costs of all meals provided to the delegates and staff must be reasonable since it is difficult to justify excessive meal costs as a valid public purpose.
- When Shoreline employees travel to our Sister City location, city staff can be reimbursed for the reasonable cost of their meals. The reasonableness of this expense is outlined in section 2 of this policy.
- Pursuant to Section 2 of this policy, public funds cannot be used to purchase alcoholic beverages.

7.4 ENTERTAINMENT

- Entertainment cannot be paid for out of public funds. Entertainment is not considered a public purpose since its main purpose is for the private enjoyment of delegates or staff members.

7.5 CEREMONIES

- The city may expend reasonable funds to sponsor and promote ceremonies and receptions so long as the goal of the public event is to inform citizens of the Sister City relationship and provides a chance for citizens to share ideas and knowledge of

the Sister City relationship. The city may provide modest refreshments to encourage attendance and interaction between Shoreline citizens and Sister City delegates and staff.

7.6 GIFTS AND ADVERTISING

- Gifts intended to celebrate the Sister City relationship may be given to the Sister City as a governmental body in an amount commensurate to foster goodwill.
- The city may give away minor promotional items to delegates, staff and the public, such as t-shirts, key chains, mugs, and pens, which advertise the Sister City relationship.
- The city may expend public funds to advertise the Sister City relationship, such as through postings and fliers.
- Official gifts received from our sister city are property of the City of Shoreline, not private individuals. The gifts will be publicly displayed, if possible, and the City will keep an inventory of gifts received.