

FISCAL ACCOUNTABILITY RULES

RULE 10.8 – TRAVEL

Purpose

This rule is the guiding principle for all officers, employees, and contractors who travel and conduct business on behalf of the City and County of Denver. The City recognizes and appreciates the efforts of those traveling for City purposes. Since all expenditures are open to the public it is of primary concern that the economy and necessity are taken into consideration when planning and paying for travel.

The City's travel expense reimbursement program meets the Internal Revenue Service (IRS Publication 463) definition of an accountable plan. As a result, expenses and reimbursements that conform to this policy are not reported as taxable income to the individual unless the expenses exceed the recommended per diem and if a reconciliation is not submitted.

This rule and the associated [Travel Procedure](#) must be read jointly to ensure compliance and understanding. Departments may implement policies that are more restrictive, but not more generous than this rule and the associated procedure, as long as the more restrictive policies are consistently applied. Agencies under the Mayor shall follow any additional directives which may include Executive Orders, policies, or memos, as they relate to travel.

Definitions

Expending Authority is the manager, elected official, cabinet member, department head, or agency head identified in the appropriating ordinance (long bill) who appropriates funds to pay the expenses for conducting public business each year. Each Expending Authority is responsible for management of funds in his or her organization and for assuring that all expenditures are reasonable, necessary, and consistent with all city charter, ordinances, policies and procedures, and other applicable laws.

For the benefit of the city (for the purpose of travel only) refers to those activities that enable the traveler to carry out responsibilities or functions useful to the City in a more productive, efficient, or beneficial way. For example, expenses incurred in relation to nonpolitical ceremonial functions of the City office would normally be for the benefit of the City. Expenses incurred in relation to activities, the primary purpose of which is the election or reelection of a city official, are not for the benefit of the City and are not allowable. It is the responsibility of the expending authority to make a determination as to whether expenses are "for the benefit of the City."

FISCAL ACCOUNTABILITY RULES

RULE 10.8 – TRAVEL, CONTINUED

Official city business (for the purpose of travel only) is that which is required or useful for the benefit of the City to carry out the responsibilities of the Traveler or agency or to enhance the Traveler's or agency's effectiveness in the performance of city business.

Receipt is an original document itemizing the good(s) or services(s) purchased. The receipt must provide a named payee and date that confirms payment has been made for a stated purchase.

Travel advance is money advanced to the traveler in an amount reasonably estimated to cover some or all of authorized travel expenses. Advances are considered to be loans to the Traveler. Travel advances shall not exceed the per diem city allowance for meals and incidental expenses (M&IE), the actual cost of lodging, plus actual cost of other allowed travel expenses related to the travel on official city business.

Travel expenses are reasonable, appropriate, and necessary travel and business related expenses(s) that are incurred while carrying out official city business. Travel expenses include costs that cover per diem expenses; transportation expenses; meals and/or coffee and light miscellaneous refreshment; and miscellaneous business expenses related to official City travel.

Traveler is an Officer, City Employee, or Contractor who incurs travel expenses on official city business and is entitled to reimbursement of those expenses (for the purpose of travel only).

City is the City and County of Denver.

Rule

Travel Requirements and Restrictions

1. All Travelers must comply with this rule and the related [Travel Procedure](#). Contractors may have contract provisions that allow for deviation from this rule; in such a case, the terms of the contract shall prevail.
2. All Travelers are to be afforded equal opportunity to travel for official business according to the Compliance with the Americans with Disabilities Act. If expenditures outside this policy are necessary to provide accommodation, the circumstances should be noted on the [Travel Authorization and Expense Form](#).
3. Travel for which the City pays, including payment by travel advance, reimbursement, or by any other method, must be for travel on official City business that is for the benefit of the City.
4. All travel requests must be submitted and approved by the Expending Authority prior to traveling.

FISCAL ACCOUNTABILITY RULES

RULE 10.8 – TRAVEL, CONTINUED

5. Travel shall be done using the most reasonable cost and means under the circumstances. The determination of reasonableness of cost and of the means of travel shall be at the discretion of the Expending Authority, who shall consider economic factors and circumstances, including but not limited to number of days of travel, advance notice, possibility of trip cancellation, distance of travel, travel alternatives, and hours of arrival or departure.
6. Employees and officials are responsible for demonstrating that the expenses incurred and/or approved are reasonable and necessary.
7. In situations where the travel expenses are going to be paid from a grant, the allowable reimbursement amounts should be based upon the grant requirements or this fiscal rule, whichever is more restrictive.

Travel Advances

8. Travel advances must be coded to the 660100 – Travel Advance code.
9. Travel advances shall not be issued to the Traveler more than thirty calendar days prior to the departure date of a trip.
10. Travel advances may be requested by the Traveler for transportation, lodging, conferences and meeting expenses not prepaid, and meals and incidental expenses. The request must be approved by the Expending Authority.
11. Only expenses of the Traveler shall be advanced. The City shall not advance travel expenses for persons other than the Traveler.
12. Travel advances will not be issued to individuals who have not submitted a [Travel Authorization and Expense Form](#) that reconciles an outstanding balance in the City's financial system from a previous travel.
13. Any unused funds must be returned to the City within thirty days of completion of the trip.
14. If the scheduled trip is cancelled, then the Traveler shall, upon learning of the cancellation, immediately refund all travel advances to the City.

FISCAL ACCOUNTABILITY RULES

RULE 10.8 – TRAVEL, CONTINUED

Travel Reimbursement Principles

15. The [Travel Authorization and Expense Form](#) reconciling travel expenses and the approved and signed travel expense **Voucher** must be submitted to the Controller's Office within thirty days of completion of the trip. Travel that is not reconciled and submitted to the Controller's Office within forty-five days of completion of travel will result in the entire advance being reported through the payroll system as additional wages to the employee no later than the first payroll period following the end of the forty-five days and shall be reported as income on the Traveler's W-2. The income and applicable employment taxes on the additional wages are to be withheld from the employee's regular earnings.
16. Travelers may be reimbursed for the following types of expenses incurred while on official City business.
 - a. **Lodging** – The City will reimburse Travelers for lodging expenses based on the lodging per diem rates established by the GSA.
 - b. **Meals and incidental expenses** – The City will reimburse the Traveler for reasonable meals expenses at the meal and incidental expense (M&IE) rates established through federal guidelines and IRS regulations or at actual cost. The Agency/Department will decide on the reimbursement method. Only one method of reimbursement may be used per trip. The per diem rate includes breakfast, lunch, and dinner.
 - c. **Transportation** – Travel may be accomplished by commercial airline, rental car, City-owned vehicle, rail, personal vehicle, courtesy transportation, or local public transportation, shuttle service or taxi. Authorization will only be given for the means that is most economical and beneficial to the City.
 - d. **Miscellaneous Travel Expenses**
17. The City will reimburse the Traveler for meals at actual cost or according to per diem rates. The Agency/Department will decide on the reimbursement method. Only one method of reimbursement may be used per trip.
18. Travels shall not seek reimbursement for goods or services (including transportation, lodging, etc.) that are provided free of charge, paid for by another source, or are not related to City business.
19. If the travel advance exceeds allowable expenses, the Traveler shall refund to the City the excess funds within thirty days after completing travel.

FISCAL ACCOUNTABILITY RULES

RULE 10.8 – TRAVEL, CONTINUED

20. Only expenses of the Traveler shall be reimbursed. The City shall not reimburse travel expenses for persons other than the Traveler.
21. Reimbursement for travel will be paid by check to the traveler.
22. Original receipts are required for all expenses except meal per diem. Photocopies of invoices, credit card statements or records of charge slips accompanying monthly billing statements, or restaurant stubs are not acceptable.
23. All travel shall be reconciled and a [Travel Authorization and Expense Form](#) and voucher shall be submitted to the Controller's Office within thirty days of completion of the trip.

Travel Hardship

24. If any of these provisions create an undue hardship on the Traveler or circumstances make it more beneficial for the City, the Expending Authority may approve a Travel Hardship for a reimbursement or advance above the per diem allowance, provided that the hardship:
 - a. is reasonable;
 - b. is for documented actual expenses; and
 - c. is for official City business.
25. Hardship expenses shall not be reimbursed for amounts in excess of actual expenses incurred while on official City business.
26. Travelers may request a Travel Hardship and be reimbursed for actual expenses, with the approval of the Expending Authority, for meals and incidentals at a rate that is higher than the federal M&IE rate, but the amount that is above the federal M&IE rate will be reported as taxable income on the employee's W-2.

Travel Expense Reconciliation

27. All expenses associated with the travel must be coded to the 66xxxx travel expense account codes noted on the [Travel Authorization and Expense Form](#).
28. Conference registration fees paid prior to the travel shall be paid using the **Training & Education** account code (601900). Conference registration fees paid while traveling must be paid using the **Conference & Meeting Expenses** account code (662400).

Procedures and Forms

The **Controller's Office** is responsible for any procedures and forms associated with this rule.