

RULE 10.8 – TRAVEL

Adopted Date: 01/01/2008

Revised Date: 04/06/2021

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 (city). Since all expenditures are open public record 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. If there is no accountable plan in place, then the city would have to report the advance and/or reimbursement as income on the traveler's W-2. An accountable plan includes the following requirements:

- The travel shall have a direct connection to the business and job responsibilities.
- The traveler provides an accurate accounting of how the funds were spent within 30 days of travel, but no later than 45 days, or earlier if required by the agency or financial requirements.
- Any excess reimbursement or allowance shall be returned within 30 days of travel.

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 or if a reconciliation is not submitted.

This rule and the associated [Travel Procedure](#) shall be read in conjunction with the following to ensure compliance and understanding:

- [Fiscal Accountability Rule 2.1 – Expending Authority Delegation](#);
- [Fiscal Accountability Rule 10.5 – City Business Vehicle Use](#);
- [Fiscal Accountability Rule 10.7 – Use of Personal Vehicles for City Business](#);
- [Executive Order 3 – Motor Vehicle Program for the City & County of Denver](#);
- [Executive Order 65 – Operational Safety and Health Program](#);
- [Executive Order 74 – Parking by City Employees While on Official Business \(OCB\)](#);
- [Executive Order 94 – City and County of Denver Employees' Alcohol and Drug Policy](#); and
- [Career Service Rule 16 – Code of Conduct and Discipline](#).

Departments and agencies 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. Departments and agencies under the Mayor shall follow any additional directives which may include but are not limited to Executive Orders, policies, and/or memos, as they relate to travel.

DEFINITIONS

Employee – For the definition of this fiscal accountability rule, an employee is, any person who conducts business on behalf of the city that is paid through city funds.

Expending Authority – The manager, appointee, elected official, cabinet member, executive director, 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'.

Per Diem – The allowance for lodging (excluding taxes), meals and incidental expenses (M&IE).

Official City Business (*for the purpose of travel only*) – That which is required or useful for the benefit of the city to carry out the responsibilities of the traveler or department or agency or to enhance the traveler's or department's or agency's effectiveness in the performance of city business.

Official Work Location – Is the primary location an employee conducts the majority of his or her city duties.

Receipt – An itemized document of 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.

Temporary Official Work Location (*for the purpose of travel only*) – Is a location an employee shall perform his or her work duties for a limited time period.

Travel Advance – Money advanced to the traveler in an amount reasonably estimated to cover some or all authorized travel expenses. Advances are considered 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 – 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; lodging expenses; meals and/or coffee and light miscellaneous refreshments; and miscellaneous business expenses related to official city travel.

Employee (*for the purpose of travel only*) – An employee who incurs travel expenses on official city business and is entitled to reimbursement of those expenses.

Travel Status – Is a continuous state of 12 or more hours spent traveling between an employee's primary official work location and a temporary official work location, or between two temporary official work locations and the usual waiting time that precedes or interrupts such travel.

RULES

Travel Requirements and Restrictions

1. All travelers shall 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 city business according to the Compliance with the [Americans with Disabilities Act](#).
3. If expenditures outside this policy are necessary to provide accommodation, the circumstances should be noted in the electronic financial system of record using the [Create Expense Report for Travel Job Aid](#).
4. 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.
5. All travel requests shall be submitted to and approved by the Expending Authority or his/her delegate prior to traveling (refer to the [Create Spend Authorization for Travel Job Aid](#)).
6. 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, or his/her delegate, 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.

7. Employees, officials, and contractors and officials are responsible for demonstrating that the expenses incurred and/or approved are reasonable and necessary.
8. 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 accountability rule, whichever is more restrictive.

Travel Advances

9. Travel advances shall be coded to the S00000089 – Travel Advance Account code.
10. Travel advances for **meal per diem only** shall not be issued to the traveler more than seven calendar days prior to the departure date of a trip. Travel Advances for meal per diem only, if matched to the conference/meeting/training agenda and completed within seven calendar days from the departure date, may be created as an Expense Report.
11. Travel advances shall not be issued to a contractor or program participant.
12. Travel advances may be requested by the traveler for transportation, lodging, conferences, and meeting expenses not prepaid, and meals and incidental expenses. The request shall be approved by the Expending Authority or his/her delegate. In order to receive a travel advance, the traveler or travel coordinator must complete an electronic submission in the financial system of record prior to funds being released.
13. Only expenses of the traveler shall be advanced. The city shall not advance travel expenses for persons other than the traveler.
14. Travel advances for future trips shall not be issued to individual employees who have not reconciled an outstanding travel advance from a previous trip in the city's financial system of record. Refer to the [Create Spend Authorization for Travel Job Aid](#). Failure to reconcile a travel advance will result in the full amount of the advance being added by payroll as taxable income for the employee.
15. Any unused funds shall be returned to the city within thirty (30) days of completion of the trip. Proof of re-payment to the city must be accompanied with the documentation when completing the reconciliation in the financial system of record.
16. If the scheduled trip is cancelled, then the traveler must, upon learning of the cancellation, refund all travel advances to the city within five (5) days. Failure to reconcile a travel advance will result in the full amount of the advance being added by payroll as taxable income for the employee.

Travel Reimbursement Principles

- 17.** The traveler shall reconcile all travel expenses in the system of record within thirty (30) days of the completion of the trip.
 - A.** When a Spend Authorization, with or without a cash advance, has been entered and approved into the system of record an Expense Report must be created to reconcile the Spend Authorization.
 - B.** When a Spend Authorization was not utilized, an expense report shall be created to approve reimbursable travel related expenses.

- 18.** Travel Advances that are not reconciled and submitted to the Controller's Office within forty-five (45) days of completion of travel shall 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 (45) 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 traveler's regular earnings.

- 19.** Travelers may be reimbursed for the following types of expenses incurred while on official city business.
 - A. Lodging** – The city shall reimburse travelers for lodging expenses based on the lodging per diem rates established by the [U.S. General Services Administration](#) (GSA), or through actual costs.
 - B. Meals and Incidental Expenses** – The city shall reimburse the traveler for reasonable meal expenses at the meal and incidental expense (M&IE) rates established through federal guidelines and IRS regulations, or at actual cost. The department or agency shall decide on the reimbursement method. Only one method of reimbursement may be used per trip. The per diem rate includes breakfast, lunch, dinner and incidentals.
 - 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, ride share or taxi. Authorization will only be given for the means that is most economical and beneficial to the city.

- 20.** Travelers shall not seek reimbursement for goods or services (including transportation, lodging, meals, etc.) that are provided free of charge, paid for by another source, or are not related to city business.

- 21.** If the travel advance exceeds allowable expenses, the traveler shall refund to the city the excess funds within 30 days after completing travel.

- 22.** Only expenses of the traveler shall be reimbursed. The city shall not reimburse travel expenses for persons other than the traveler.

- 23.** Reimbursement for travel must be processed in the electronic financial system of record.

- 24.** Original or digital image of itemized receipts are required for all expenses except meal per diem. Credit card statements or records of charge slips accompanying monthly billing statements, or restaurant stubs are not acceptable.
- 25.** If any of these provisions create an undue financial hardship on the traveler, or circumstances make it more beneficial for the city, the Expending Authority, or his/her delegate, 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.
- 26.** Hardship expenses shall not be reimbursed for amounts in excess of actual expenses incurred while on official city business.
- 27.** Travelers may request a travel hardship and be reimbursed for actual expenses, by completing a Spend Authorization for Travel with the approval of the Expending Authority, or his/her delegate, 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

- 28.** All travel expenses shall be coded to the designated travel accounts, in the system of record. Refer to [Procedure 10.8 - Travel](#).

AUTHORITY AND ACCOUNTABILITY

The **Controller's Office** is responsible for this fiscal accountability rule and any procedures, guides, job aids, forms, and one-page summaries associated with this rule.