

Section Name: Employee Relations
Section Number: 300
Policy Number: 307

Effective Date: May 10, 1994
Date of Revision: September 20, 2022

Subject: Employee Expense Reimbursement

Purpose:

The purpose of this policy is to establish guidelines, procedures and allowed amounts for reimbursement of authorized and eligible expenses while conducting official business of the County.

Scope:

This policy shall apply to all departments, co-employer, elected offices and administrative units of Monroe County government

Statement of Policy:

- A. Expenses Incurred. Expenses incurred by employees for out of pocket costs or travel expenses are the ordinary and necessary expenses for a bona fide business purpose. All officers and employees conducting or traveling on official business are expected to exercise the same care in incurring expenses that a reasonably prudent person would exercise if traveling on personal business. Travel must be planned using the most practical cost-effective means. Employees should carpool whenever practical. Travelers incurring expenses based on personal preferences are responsible for paying any additional costs. If the training is available through a webinar/teleconference option rather than in person attendance, employees and department heads should consider the value of this option as opposed to travel.
- B. Reimbursements for Travel. Reimbursements for travel related expenses shall not exceed amounts budgeted by the Monroe County Board of Commissioners. Departments submitting requests in excess of budget amounts must obtain supplemental appropriations prior to incurring additional expenses or expenses beyond the amount budgeted.
- C. General Reimbursement Rates. The following rates will be used to reimburse employees for expenses incurred while on approved official business of the County:
 - 1. Mileage: The rate of vehicle mileage reimbursement shall be as established and adjusted in accordance with the Internal Revenue Service (IRS) published rates and guidelines.
 - 2. The below amounts are the maximum amounts of reimbursement or allowed expense per employee:

<u>Meals:</u>	
Breakfast	\$ 8.00
Lunch	\$12.00
Dinner	\$22.00
Gratuity shall not exceed 20%	

a. Itemized meal receipts are required and must show date, time, location and items purchased. Breakfast is reimbursable when travel starts prior to 6:00 a.m. and breakfast is purchased prior to 10:00 a.m. Lunch is reimbursable when travel commences prior to 11:30 a.m. and lunch is purchased prior to 2:00 p.m. Dinner is reimbursable when travel extends beyond 7:00 p.m. Meals include prepared meals at dine-in establishments, packaged meals or food products, buffet style or fast food meals. Meal allowances cannot be aggregated into a single daily allowance. Each meal allowance and reimbursement is a separate occurrence as outlined above. If any meal is purchased outside of the time windows, note the exception and short explanation for qualifying reimbursement.

b. Any consumable food product or drink is eligible for reimbursement up to the maximum amount, for breakfast, lunch and dinner provided it is not one of the following items that are not eligible reimbursement:

Alcoholic beverages, candy bars, gum, mints, and jerky products are not eligible for reimbursement.

c. If meals are included with registration costs of the event, corresponding meals are not reimbursable nor are meals purchased separately when included as part of the event registration. Exceptions will be considered on a case-by case basis based on such factors, which must be presented with the reimbursement request, as:

- Was not sufficient as a meal
- Employee was unable to consume the furnished meal(s) because of medical requirements or a religious belief
- Employee made a reasonable effort to make alternative meal arrangements, but was unable to do so
- Other relevant factors the employee may present

D. Overnight Lodging: *Generally*, reimbursement may be made for actual expenditures for overnight accommodations, subject to the following restrictions and limitations:

1. Rates:

Single, per day, maximum	\$ 160.00
Double, per day, per person, maximum	\$ 100.00
* Tax included	

2. If the destination is more than 100 miles from the normal work location, and if the individual must be at the destination at or before 8:00 a.m., an official or employee may elect to stay overnight the preceding calendar day.

3. If official business terminates after 7:00 p.m. and the location is more than 100 miles from the normal work location, the official or employee may remain overnight and commence travel the following morning.

If the temporary work location is more than 100 miles from the normal work location and the duration is more than one day, the night between such workdays may be spent in the immediate vicinity and reimbursement claimed for the cost of lodging.

4. These are *general rules*; there may be traffic, construction, inclement weather or other relevant factors the employee may present if an employee's circumstance does not meet the general rules. It may include the employee's presentation as part of the seminar, conference, etc., and involve preparation with other panelists/presenters prior to the actual presentation and require additional housing. The employee must request approval prior to booking the hotel room.
 5. Reimbursement shall be limited to the cost of a single room at prevailing rates for accommodations normally used in business. If a double room is shared with a County Official or employee, each may claim reimbursement for one-half (½) the rate. If a double room is shared with a non-employee or an employee not of the specific department and not attending the conference/training, reimbursement may be claimed for the amount equal to the rate for a single occupancy accommodation.
 6. Meal Reimbursement guidance also applies when an employee is lodging overnight and is therefore eligible for breakfast meal allowance reimbursement. If breakfast is provided by the hotel, no additional reimbursement may be claimed. Lunch meal allowance reimbursement applies when the event continues through the day and into the lunch period defined as between 11:00 a.m. and 2:00 p.m.
 7. Overnight lodging must be documented with a detailed itemized receipt from the hotel or lodging facility in order to qualify for approved reimbursement.
- E. Special Cases. When conferences are held at a conference center, hotel or lodging facility and if meals, registration and lodging at the facility exceed the above schedule, authorization is required from the County Administrator/Chief Financial Officer prior to incurring costs in excess amount of the allowable rates.
- F. Emergency Lodging. In an emergency situation where an employee incurs lodging costs in excess of the allowable rates, a department head may recommend payment of the excess amount. Approval must be obtained from the County Administrator/Chief Financial Officer based on supporting documentation and justification from the department head prior to incurring costs in excess amount of the allowable rates.

- G. Conventions, Conferences, or Group Functions. Whenever it becomes necessary for an employee to attend a pre-scheduled convention, conference, seminar, educational or training session or group function (event) and costs associated with this event have been approved in the County's annual budget, the following provisions apply:
1. Reimbursement for expenses to and from the event site will be at the normal rates included in Section C. A full explanation must be given on the County published travel expense reimbursement form, including the name of the event. Copies of the convention agenda, reservation form, conference schedule and meals included in the conference agenda shall be attached as supporting documents for the amount of the reimbursement.
 2. Employees will be reimbursed actual expenses for lodging, group luncheons, banquet, and educational/program materials whenever such lodging and meals are in conjunction with an approved event. The County will make advance payment of the lodging and event registration via credit card as the primary method of advance payment rather than direct to employees. Advance payment for these expenses will be allowed upon submission of supporting documents for the event and consistent with the County Credit Card policy and procedures for use.
- H. Guest Meals. The cost of guest (non-family member) meals is allowable only if it can be shown that such cost was incidental and necessary to conduct official County business. Meal expense shall be reimbursed at actual cost, not to exceed rates established in Section C. Full explanation must be given on the voucher, including the name of and position held, by the guest or guests. Receipts must be attached to vouchers. Federal regulations prohibit the use of federal funds, which give the appearance of kickbacks or gratuities to vendors, or recipients of services.
- I. Cash Advances. The County Administrator/Chief Financial Officer shall be authorized to approve travel advances of the estimated amount to employees for pre-approved events covering the estimated lodging, meals, and registration fees. Advances shall not be made for estimated mileage expenses. A request shall be made in writing on the County credit card authorization form to the County Administrator/Chief Financial Officer in advance of the scheduled conference setting forth the purpose of the trip, expected travel period, method of transportation and those costs that must be paid in advance. Upon return from the trip, an accounting must be made on the approved travel voucher, listing the expenses of the trip and the amount of cash advance received. Any excess of funds advanced to the employee must be returned to the County Treasurer immediately upon return from the trip. No travel advances shall be made to any department that has an outstanding travel advance voucher over thirty (30) days old. Any amounts owing to the employee shall be reimbursed in the manner outlined above. The County Administrator/Chief Financial Officer shall be authorized to make travel advances of the total estimated amount for lodging, travel, meals, and other costs of all travel related expenses for extradition of prisoners to or from the County.

- J. Discount Rate Registration and Fees. If a discount rate for an event, including rates for lodging and/or registration fees is made available to attendees, employees must register within the allowable dates to obtain the group discounted rate(s). Failure to do so will limit the allowable reimbursement amounts to the discounted rate, unless prior approval is requested to the Administrator/Chief Financial Officer with supporting rationale as to why the discounted group rate was not secured within the allowable time.
- K. Map Mileage, Coach, or Special Fares. Whichever is less, will be paid for out-of-state airline trips. The lowest available airline fare or special fare will be paid when air travel is more feasible for out of county travel exceeding 300 miles.
1. All air travel reservations are based on the event dates. Staff that wish to travel outside of the event dates must make their own reservations using their own funds and submit itemized receipts for reimbursement with the understanding that reimbursement may not be paid in full.
 2. Baggage Fees: Travelers will be reimbursed for one piece of personal luggage with appropriate receipts; fees for additional or overweight luggage are not reimbursable. Reimbursement of baggage fees for business-related materials is allowed with a receipt and detailed explanation.

Definitions:

- A. The reasonably prudent person- The reasonably prudent person is a concept or standard in the law entailing a hypothetical person that acts in a manner society might expect of a normal, reasonable person under the same or similar circumstances. There is no technical and universally applied definition, and thus it varies between contexts.

Policy Compliance:

B. Responsibility:

1. Employee- Each employee submitting a travel expense claim is responsible for following the reimbursement procedures outlined in this policy.
2. Elected Official/Judges/Department Head/Authorized Representative- Shall approve the reimbursement request and will be held responsible for their certification for all items of expense as being necessary, reasonable and correct.
3. County Administrator/Chief Financial Officer- The County Administrator /Chief Financial Officer shall be responsible for administering this policy.

Administrative Procedure:

All employees who incur expenses in the performance of the County's business, shall submit requests for reimbursement in accordance with the following procedure:

- A. All travel expense claims shall be prepared and submitted on the standard Employee Expense Reimbursement Form, and must be itemized. All travel related expenses shall be reported on the standard Employee Expense Reimbursement Form. Forms are as prepared by the Finance Department and posted on the County intranet as fillable electronic forms.
- B. The expense of only one (1) employee shall be included on a single expense reimbursement form. If an employee pays for the cost of other or additional employees, then the costs expended may be submitted on a single expense reimbursement form for reimbursement at the allowable rate with all supporting receipts. The reimbursement form shall list the additional employees for which costs were incurred.
- C. Reimbursement requests shall be for a minimum of \$15.00, unless the employee is submitting for a single expenditure reimbursement and not part of regular monthly reimbursement requests. When requesting less than \$15.00 for reimbursement, the reason must be provided at the time of the reimbursement request (examples: single purchase, at the end of the fiscal year or grant period). Expense reimbursement forms which meet the minimum threshold shall not cover a period of more than one (1) calendar month unless approved as an exception by the policy administrator.
- D. Receipts must be attached for all items of expense, except for mileage. Reimbursement for meals shall not exceed the rates established within this policy.
- E. Employees will not be reimbursed for meal expenses while on official business within the geographic boundaries of Monroe County unless the expenses are for training or educational programs pre-approved by the County Administrator/Chief Financial Officer.
- F. Any other expense incurred by the employee for operating supplies in the furtherance of County business shall be submitted with accompanying receipt(s) for reimbursement of the actual cost. At a minimum expenses shall comply with the Michigan Department of Treasury guidelines on unlawful expenditures that is attached and made a part of this policy.
- G. All expense items contained on the Employee Expense Reimbursement form must appear in chronological order and all expenses for the period must be included.
- H. Dates of travel must be shown on the Employee Expense Reimbursement form must include the places between which travel was incurred.
- I. The description column of the travel voucher must include the places between which travel was incurred.

- J. For travel by privately owned vehicles, all point-to-point mileage must be shown. Only actual mileage incurred will be allowed. Mileage will be paid from the employee's place of work to their destination or from the actual point of departure, whichever is less. "Vicinity" mileage must be shown at each point where incurred.
- K. Miscellaneous expenses must be shown under the actual date they are incurred and explanations included where required. All required receipts (i.e. cab fare, parking, hotels, etc.) must be attached. Parking expenses shall be at the lowest available rate. Valet parking, premium parking or secured parking expenses will only be reimbursed at the lowest non-valet, non-premium or unsecured parking rate available at the event.
- L. The certification on each Employee Expense Reimbursement form shall be attested to by the signature of both the employee and the elected official/department head, or the authorized representative shall be authorized to sign said form.
- M. The nature of the official business must also be shown in the space provided. Blanket statements such as "on official business" or "as directed", are not acceptable.
- N. Employees recognize that while attending educational programs, seminars, conferences and business meetings they are attending during working hours and are on duty or on the clock. As such, they shall conform to proper conduct as County employees and endeavor to best represent the County of Monroe. Further, as on duty employees, the employee shall be available to the Department or Office to respond as needed and as a management employee or supervisor shall contact the Department or Office periodically to remain aware and informed of operations during their physical absence from work.

Only employees who are on regular duty may attend a conference, seminar or educational program and be eligible for reimbursement or County paid costs of attending. Employees or officials who are on medical leave, disability leave or otherwise not performing regular duties are not eligible to attend. Employees may be on vacation status while attending a conference, seminar or education program and be eligible for reimbursement or County paid costs of attendance.

Further, employees and officials who have announced or have plans in place to leave employment or retire or will not be eligible for continued employment within six (6) months of the conference, seminar or education program are not eligible for reimbursement or County paid costs of attendance. This applies except for occurrences where the employee or official is a presenter as part of the event. Prior approval must be obtained from the County Administrator/Chief Financial Officer based on supporting documentation that the employee or official is part of the program presentation prior to incurring costs.

Legislative History of Authority for Creation or Revision:

Adopted pursuant to action of the Monroe County Board of Commissioners, dated May 10, 1994.

Revised pursuant to action of the Monroe County Board of Commissioners, dated March 24, 1999, February 27, 2001, February 16, 2021 and September 20, 2022.

Michigan Department of Treasury guidelines on unlawful expenditures

Copied from:

http://www.mi.gov/documents/treasury/Audit_Manual_for_LUG_in_Michigan_383593_7.pdf

Local units of government in Michigan are only allowed to incur expenditures for a valid public purpose. The local unit is the steward of public resources, and they may not be used for a private purpose. Determining whether an expenditure is for a valid public purpose is a legal consideration. Often the local unit's legal counsel can be helpful in making this determination. There are numerous state statutes, court cases and attorney general opinions that define allowable expenditures. As a guide, the following is a list of the more common types of questionable expenditures:

1. Charitable Donations to Non-Profit Organizations: Unless the payment is in exchange for the provision of a governmental service that the local unit could have provided itself, this is not a valid public purpose. In general, such expenditures should be documented through a written agreement. This prohibition includes churches, veterans' organizations, community organizations, Little League, Boy Scouts, Big brothers/ Big Sisters, etc.

2. Donations to a Private Ambulance or EMS Service: MCL 333.20948 authorizes local governmental units to contract for ambulance services. This would only be allowed if there is a written agreement providing that the payment is in consideration for services rendered (which service the local unit could have provided with its own employees).

3. Public Celebrations and Events: MCL 123.851 specifically allows cities, villages and townships to expend money for observances of Armistice (Veterans), Independence and Memorial Days and Diamond Jubilee or Centennial celebrations. MCL 46.11a specifically allows counties to appropriate money for the celebration of Armistice (Veterans) Day. It is improper for a unit of government to expend public money for an annual picnic or other celebration that is not specifically authorized by law and does not serve a public purpose. The Michigan Supreme Court in *Wayne County v Hathcock*, 471 Mich 445, 462; 684 NW2d 765 (2004), defined "public purpose" as having "for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents within the municipal corporation, the sovereign powers of which are used to promote such public purpose."

4. Providing Coffee, Food, etc.: The purchase of coffee, food, etc., must be for a public, not an individual or private group or purpose. These expenditures for use at a regular or special meeting where the public is also participating in the coffee, food, etc., for fire fighters, volunteer or full-

time employees, when working an extended period of time or when dedicating public buildings are normally considered expenditures for a public purpose. Coffee, food, etc., for employees use during normal working hours is considered personal, not for a public purpose, and improper unless specifically provided for in a collective bargaining agreement or duly adopted employment policy of the governmental unit (fringe benefit). See the definition of “public purpose” in item 3 above.

5. Retirement/Recognition Functions and Employee and Retiree Gifts: Retirement functions, gifts or plaques for employees or officials, recognition dinners for volunteer fire fighters or ambulance staff are usually not for a public purpose, therefore, not an allowable expense. Travel and meals as part of the cost of training volunteers to perform emergency services within the local unit are deemed a public purpose, payable as an expense when properly budgeted, authorized and approved. See the definition of “public purpose” in item 3 above.

6. Historical Activities: MCL 399.161 allows a township to appropriate money that the township board believes advances and fosters historical interests of the township. MCL 399.171 and 399.172 allow a city, county, township or village to individually appropriate money or jointly create a commission to advance the historical interests of the unit or units. MCL 399.201-399.215 allow a city, county, township or village to establish historical districts and a commission to preserve and refurbish historical structures.

7. Juvenile Delinquency--Youth Centers: MCL 123.461 allows a county, city, township or village to operate centers open exclusively to youths under 21 years of age and aimed at curbing juvenile delinquency within the community.

8. Economic Development: MCL 125.1601-125.1636 allows a county, city, village or township to incorporate an economic development corporation, file articles of incorporation and fund projects of said EDC, which are for a public benefit. MCL 125.1231 - 125.1237 allows county commissioners to create a county commission to promote economic development and provide in the county budget for the expenses of the commission.

9. Senior Citizens, Older Persons: MCL 400.571 - 400.577 allows a county, township, city or village to provide services to persons 60 years or older. Appropriations to a private organization must be specified in a contract. The terms of the contract must be published within 10 days of its approval in a local newspaper specifying the contract terms and services to be performed.

10. Legal Expenses: A governmental unit is not authorized to expend public money to assist residents with legal costs in defending the homeowners from possible civil action by a neighboring city to condemn their property for public use by the city. We are unable to see a "public purpose" for the township in this expenditure. Also this expenditure may be prohibited under the provisions of Article 9, Section 18 of the 1963 Michigan Constitution that prevents a governmental unit from lending its credit to the aid of any person, association or corporation, public or private, except as authorized in the Constitution.

11. Membership Dues: Membership dues to governmental associations such as MTA, MML, MAC and similar organizations that advise, inform and educate officials and employees are appropriate. (See court decision Hayes v City of Kalamazoo, 316 Mich. 443).

12. Training and Education: Registration fees, lodging, travel, and meals while in attendance at useful public informational or educational workshops and seminars are appropriate.

13. Mileage Reimbursements: Local units should follow the IRS guidelines for determining which travel is considered a “business purpose.” Mileage of officials (except county finance committee and board of commissioners. See MCL 46.52 and 46.62) and employees to and from their residence to the city, township or village hall, county building or meeting rooms is not to be reimbursed. (Mileage paid to county commissioners must be included on their W-2 forms as taxable income.) This means that commuting from home to work and back is not to be reimbursed.

14. Private Roads: Expenses for private roads are the responsibility of the private owners of the road and it is inappropriate to use public funds for such purpose. However, this does not prohibit a local unit from assisting the private road owners by levying a special assessment for improving or maintaining a private road, as long as the special assessment is designed to cover 100% of the costs associated with the private road. (Public Act 188 of 1954, as amended, being MCL sections 41.721 - 41.738)

15. Per Diem Payments to Township Supervisor, Clerk or Treasurer: When the supervisor, clerk or treasurer is paid on a salary basis, it is inappropriate to pay extra or a per diem for attendance at meetings (MCL 41.95). (Check city and village charters for their compensation procedures or restrictions.) Extra compensation for summer tax collections is inappropriate, unless part of the initial salary resolution or is authorized within statutory procedures for an increase in salary.

16. Flowers to the Sick or Departed: Local governments do not have authority to expend money for floral gifts. (Attorney General Opinion Number 2346 dated July 18, 1956)