



**City of Palo Alto**  
**Travel Tips and Reminders**

\*Please see Policy and Procedures 1-02/ASD\*

If you travel for City business, here are some tips and reminders that we hope will make your trip smoother and the reporting process easier. We hope to prevent travelers from incurring expenses that aren't eligible for payment or reimbursement by the City. If you have any questions about travel that you would like addressed, please contact Accounts Payable and we will include the answers in future updates or contact you directly.

**Pre-Approval**

Before traveling, be sure to complete a "Pre-Travel Authorization" form. This form must be reviewed and signed off by your Department Head in advance of travel. For out-of-state travel, the City Manager, Assistant City Manager or Council Appointed Officer approval is required.

**Conference Agendas**

Please include your detailed conference agenda and schedule when you submit your travel expense report. The agenda is necessary to confirm the conference start and end times, conference hotel rates, and to determine if any meals were provided as part of the cost of the event registration.

**Extension of Business Travel for Personal Time**

If you'd like to extend your business trip for personal time, please be sure to document, in advance, that the trip extension will not cause the City to incur additional expenses. For example, when you complete your Pre-Travel Authorization, include a quote for the airfare if you were only going on the business trip. This quote should be the lowest cost flight available for the most direct route to the final destination. If your airfare costs more than the quote, you will be responsible for paying the difference.

When you complete your travel expense report, please do not include the expenses related to the extension of your trip for personal business.

**Hotel expense on the last day of trip**

Within California or adjoining states, an extra night's hotel stay shouldn't be necessary if flight arrangements can be made the same day. For example, if your conference is in Los Angeles and ends at 5:00 p.m., you should be able to obtain a flight back to Palo Alto that same day. Unless there are additional circumstances to consider, the City won't pay for the hotel on the last day of your conference.

An out-of-state trip involving cross-country travel may require hotel accommodations both before and after the conference or training.

**Travel less than 50 miles from Palo Alto (or your home)**

If your conference is located less than 50 miles from Palo Alto (or your home if your home is closer), then a hotel stay is not authorized. If you believe a hotel stay is warranted, you will need to seek an exception from your Department Head and Assistant City Manager.

If your travel does not require an overnight stay, the per diem allowance does not apply. Meal reimbursements for local conferences, meetings or trainings are limited to lunch.

### **Airfare**

Always book well in advance of travel; select the most economical fare and decline upgrades such as early bird check-in and extra leg room.

### **Ground Transportation**

In general, use the lowest cost options such as free hotel or airport shuttles, group van or rental cars. Research the costs when you complete your Pre-Travel Authorization. Make reservations in advance if it reduces cost.

### **Rental Cars**

When a rental car is the most economical option, be sure to choose an economy or compact model.

- Decline all insurance options. The City is self-insured and therefore will not reimburse you if you elect their optional insurance. If you pay for the optional insurance using the City P-card, you will need to reimburse the City.
- Decline the pre-paid fuel option and fill up the tank before you return the rental car. The City will reimburse fuel from the gas station (with an itemized receipt) but will not pay for the election of pre-paid fuel. The pre-paid fuel option is a money-maker for the rental car agencies as they charge you for a full tank regardless of how much gas you've used.
- Frequent Flier Miles – Some rental car companies offer the option to purchase frequent flyer miles with your car rental. It's fine to choose this option, however keep in mind that the car rental company will charge you a fee. You need to pay for this option with your personal funds.

### **Parking**

Choose the lowest cost alternative for parking within a reasonable distance from your destination. Valet and/or premium parking typically aren't the lowest cost options.

### **Exceptions to the Travel Policy**

Any exceptions to the Travel Policy must be approved by your Department Head and Assistant City Manager before submitting to Accounts Payable.

### **Link to Travel Policy and Procedures 1-02/ASD**

<http://cityconnect/depts/manager/manual/administration.asp>

### **Questions?**

If you have questions, please contact Accounts Payable at (650) 329-2399.



**City-wide Change for Travel Meals**  
**Effective April 27, 2015**  
*\*Travel Policy to be updated*

In an effort to streamline operations and make things easier for the traveler, effective April 27, 2015, the City will provide a per diem (“per day”) allowance for meals and incidentals to employees who are required to travel overnight for official City business. Travelers will receive a flat rate for meals and will not be required to submit receipts.

(Note: Per diem allowance does not apply if a P-Card is used to purchase a meal – see attached Q&A.)

**Basis for policy**

The Internal Revenue Service (IRS) provides the rules for using a per diem rate to substantiate the amount of ordinary and necessary business expenses paid or incurred while traveling away from home. Most companies and organizations base their allowable per diem on the rates set by the federal government for its workers. These rates are set each year by the U.S. General Services Administration (U.S. GSA) for localities in the continental United States.

**Per Diem Rate**

The per diem rate varies and is dependent on the destination of travel. The rates for the various travel destinations are available on the U.S. General Services Administration website (<http://www.gsa.gov/portal/content/104877>) and currently range between \$46 and \$71 per day (these amounts are subject to change every year). Each city has a dollar value for the full day depending on the relative cost of meals in that jurisdiction. When meals are provided as part of the cost of an event, that meal will be deducted from the full day per diem rate. Travelers will receive 75% of the full day per diem amount for days requiring transportation to and from the location (i.e. departure day and return day) regardless of departure and arrival times.

Travelers will be required to look up the per diem rates as part of the pre-approval authorization process. Directions can be found in the following Q&A.

**The per diem allowance only applies to travel requiring an overnight stay. Per diem amounts do not apply to business meals, Council or Commission nighttime meeting meals or local one-day travel.**

***\*\*Stay Tuned\*\****

***Changes to the City business meal policy will be announced in the coming months.***

## Per Diem Questions & Answers

**1. What is a per diem?**

Per diem is a daily payment instead of reimbursement for actual expenses. In the City’s case, the per diem is for meals and incidental expenses while in travel status that includes an overnight stay.

**2. When is an employee eligible for a per diem allowance?**

An employee is eligible to receive a per diem allowance if they are required to travel overnight for official City business purposes.

**3. What does the per diem rate include?**

The per diem allowance covers meals and incidentals.

**4. What are incidentals?**

Incidentals include fees and tips to porters, baggage carriers and hotel staff.

**5. How does the switch to per diem affect travelers?**

Travelers will no longer be required to maintain itemized receipts. Instead they will receive a flat dollar amount to cover their meals and incidental expenses. (Note: This does not apply if meals are purchased using a P-Card – see next question.)

**6. What happens if I use my P-Card to pay for my meals while traveling?**

In order to simplify the process, we discourage the use of your P-Card to pay for travel meals. Per IRS regulations, within a single day, you must either pay for all meals using your P-Card or request a per diem. For example, if you use your P-Card for lunch and dinner on a single day, you will not receive the per diem amount for breakfast. Receipts are still required for P-Card purchases.

**7. Can an employee receive per diem if the official travel does not include an overnight stay?**

No, travel that does not involve overnight travel does not qualify for the per diem reimbursement.

**8. How much is the per diem for my trip?**

The U.S. General Services Administration (U.S. GSA) sets the per diem rates each year. The per diem rate varies and is dependent on the destination of travel. The rates for the various travel destinations are available on the U.S. GSA website and for 2015 range between \$46 and \$71 per day.

You can look up the rates using this link <http://www.gsa.gov/portal/content/104877>. Additionally there is Per Diem Mobile App for Apple and Android phones (search “GSA per diem”).

Each city has a dollar value for the full day of Meals & Incidental Expense (M&IE) depending on the relative cost of meals in that jurisdiction. Once you obtain the total dollar value, you can refer to this table to determine the rates for each meal:

**Federal Domestic Meal & Incidental Expense (M&IE) Rates**

M&IE Rate (Full Day)	\$46	\$51	\$56	\$61	\$66	\$71
Breakfast	\$7	\$8	\$9	\$10	\$11	\$12
Lunch	\$11	\$12	\$13	\$15	\$16	\$18
Dinner	\$23	\$26	\$29	\$31	\$34	\$36
Incidentals	\$5	\$5	\$5	\$5	\$5	\$5

Here are some examples of the full day rate for various cities:

Cleveland	\$56	Los Angeles	\$71	Monterey	\$71
Sacramento	\$61	San Diego	\$71	New Orleans	\$71
Napa	\$66	WDC	\$71	Scottsdale	\$71

**9. How much per diem will I get on my travel days?**

The U.S. GSA pro-rates per diem at 75% on the days of actual travel. Therefore, travelers are eligible for 75% of the total per diem amount on the first and last day of travel, regardless of your departure and return times.

**10. Do I need to save my receipts?**

No receipts for meals are required if you receive a per diem allowance. However, itemized receipts are required for other reimbursable expenses such as hotel, ground transportation to/from airport, airport parking, etc. Although it is discouraged, if you use a P-Card to purchase meals, receipts are required.

**11. Will my per diem be reduced by meals provided by the airline or hotel/motel?**

No. A complimentary meal provided by an airline or a hotel/motel does not affect your per diem.

**12. Will my per diem be reduced by meals provided by the conference and/or included in the registration fee?**

Yes, your per diem will be reduced by the appropriate amount for the meal provided.

**13. Does the per diem allowance include transportation costs to and from restaurants?**

Not necessarily. If meals cannot be obtained near the business location or lodging, you may receive reimbursement for transportation to the nearest available dining establishment. You must include a statement with your Travel Expense Report explaining why such transportation was necessary.

**14. What about all my other expenses?**

Other expenses deemed necessary and reasonable, that are associated with and incurred in the performance of City business while in travel status, are reimbursable. These include ground transportation (to or between the employee's work site and airport, bus station, train depot and the meeting or lodging site and return), parking fees, bridge tolls and business-related internet access. These expenses must be pre-authorized and reviewed by the Department's Authorized Travel Signatory and only approved if deemed reasonable and proper.

**15. Can I get my per diem in the form of a travel advance?**

No, the City does not provide travel advances. All per diem is issued after travel.

**16. How do I receive my per diem allowance?**

You will receive your per diem allowance after Accounts Payable has performed a review of your Travel Expense Report to ensure that travel was authorized and that all expenses are valid, comply with policy and are properly documented.

**17. Is my per diem allowance considered taxable income?**

If your Travel Expense Report is completed and filed with Accounts Payable within a reasonable period of time post-travel (60 days), your per diem allowance is not taxable. However, per the IRS, if the Travel Expense Report isn't turned in within a reasonable period of time, the per diem allowance is considered taxable income.

**More Questions?**

Contact Accounts Payable at (650) 329-2399.