



# COUNTY OF TULARE

## ADMINISTRATIVE REGULATION

Reimbursement of Employee Expenses

AR 01

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<b>Policy Type</b>	General Administrative Practices
<b>Policy Name</b>	AR 01, Reimbursement of Employee Expenses
<b>Resolution Number</b>	2022 - 0819
<b>Effective Date</b>	September 28, 2022

### SCOPE

This regulation applies to all County employees and elected officials, except where otherwise stated.

### POLICY ADMINISTRATOR

The County Administrative Officer, or designee, shall be responsible for administering this policy. The County Administrative Officer, the County Auditor-Controller, or their designees, are authorized to issue and enforce supplemental instructions, directives, and procedures to implement this Administrative Regulation.

### POLICY

Payments or reimbursements of business expenses to employees or officials treated as paid under an accountable plan (as defined by 26 C.F.R. Section 1.62-2) are non-taxable to the employee or officer. An accountable plan must require a business connection for the payment or reimbursement, must require each business expense to be substantiated to the County, and must require amounts paid in excess of expenses to be refunded to the County within a reasonable period of time. The purpose of the following procedures is to meet the requirements for an accountable plan. Payments or reimbursements not meeting these criteria are considered to have been paid or reimbursed under a nonaccountable plan and so generally must be treated as taxable income to the employee or official and so would be subject to withholding and payment of employment taxes under IRS regulations.

This regulation covers: (A) Travel and Transportation Expenses that are a result of the regular activities of a department in carrying out responsibilities prescribed by law and policies of the Board of Supervisors; (B) Other Travel and Expenses, (C) Meals and refreshments provided for the convenience of the County and Business Meals, and (D) Automobile Allowances.

#### **A. Travel and Transportation Expenses:**

1. Travel and transportation expenses of County employees or officials shall comprise three classifications: (a) normal duty; (b) statutory meetings; and (c) other meetings and training sessions. "Travel" refers to a trip that requires an overnight stay in which the employee or official is typically away from home or his or her usual work location for 24 hours or more. "Transportation" refers to being away less than 24 hours.
  - a. Normal Duty. Travel and transportation in the course of the regular activities of the department in carrying out responsibilities prescribed by law and policies of the Board of Supervisors. Examples under this category include, but are not limited to, a probation officer delivering a child to an institution or foster home; a sheriff's deputy picking up a prisoner; an investigator procuring evidence; an employee or official studying procedures used in other counties as part of an authorized study; an employee or official presenting information to legislative committees



in support of the County's legislative program. Advance authorization by the Department Head or his/her designate is required.

- b. Statutory Meetings. Attendance at meetings convened by County, State or Federal officials or others mandated by State or Federal law may be authorized by Department Heads or his/her designate.
  - c. All Other Meetings or Training Sessions.
    - i. Travel to meetings outside the State of California for one person per department per event may be approved by the Department Head or his/her designate. Out-of-state travel for more than one person per department per event shall be allowed only if approved ***in advance*** by the County Administrative Officer or his/her designate.
    - ii. Travel or transportation within the State of California may be approved by the Department Head or his/her designate.
2. Reimbursement Methods and Criteria. The limitations specified below shall apply to all reimbursement for travel and transportation.
- a. The County will reimburse all actual expenses that are reasonable and necessary and that are in conformity with Internal Revenue Service (IRS) guidelines as deductible expenses. The Department Head must promote the most economical means of transportation and subsistence. Travel authorization requests shall indicate estimated or actual expense anticipated. County employees or officials should do everything necessary to obtain government rates on lodging wherever possible and a waiver of transient occupancy tax.
  - b. Itemized detail receipts shall be required for reimbursement of costs of meals (unless Per Diem is used), registration, common carrier transportation, and lodging. All claims for reimbursement of meals shall be accompanied by an itemized detail receipt including the time, the place, the individuals involved, and the detailed business purpose of the meals.
  - c. All claims for reimbursement of travel and transportation expenses must be submitted to the Auditor-Controller for payment within sixty (60) days after the end of the month in which travel and transportation is concluded, on the County of Tulare - Travel Expense Claim form. In all cases when an employee or official attends a conference, seminar, or similar meeting a copy of an itinerary of the event must be provided that includes, at a minimum, the title of the event; location of the event; the event date(s); and a breakdown of the event's daily activities. If an event provides a meal (not including a continental breakfast such as rolls, juice, coffee, and fruit), the meal must be deducted from the employee's or official's per diem rate if a per diem is used on the employee's or official's Travel Expense Claim, whether the meal was consumed or not. No reimbursement will be provided for an alternate meal. The County will not be responsible for any travel and transportation expense claims submitted beyond sixty (60) days after the end of the month in which the travel and transportation expenses were incurred. Department Heads and Elected Officials may self-certify for Travel Expense Claims. The Auditor-Controller has the final authority to reject any claims not made in compliance with this Regulation.



- d. When properly authorized, an employee or official will be reimbursed for actual reasonable and necessary costs of transportation and registration fees. Transportation includes common carrier costs, supplementary ground transportation, including to and from a common carrier terminal (including parking), and private auto mileage, when authorized, for the sole means of travel or transportation to and from the meeting/event. County vehicles must normally be used when the sole means of transportation is auto, except for those employees or officials who receive an automobile allowance discussed in D. below. Generally, County vehicles must not be used for supplementary ground transportation. Rental of vehicles must be **pre-approved** by the Department Head or his/her designate unless the County has a contract with a car rental company and the rental would be less expensive than other forms of transportation.
- e. Reimbursement of meals may be included in a per diem rate, based on the amounts set each fiscal year by the Auditor-Controller, utilizing the U.S. General Services Administration (GSA) per diem rates for the State of California, County of Tulare, beginning fiscal year 2010/2011. The Per Diem rate includes meals and incidental expenses including, but not limited to laundry, dry cleaning, barbering and tips for services other than meals. The Auditor/Controller will issue an annual Per Diem rate memo utilizing the GSA published rate that will break down the daily Per Diem for periods that are less than 24-hour increments (Less than 24 hours' increments are only utilized after the first 24 consecutive hours of travel. Per diem is not allowed for trips lasting less than 24 hours). Per Diem can be claimed only by the individual completing the Travel Expense Claim and is therefore limited to one person per claim. An employee or official cannot use partial per diem and partial actual cost reimbursement during a trip. It either has to be all per diem, or all actual cost, with the exception mentioned in 2c. above regarding meals furnished by seminars and conferences.
- f. All claims for reimbursement will give the exact time of departure from and return to the County. In compliance with IRS regulations, no reimbursement or allowance is authorized for meals not meeting the stated requirements of Section C.2. within the County or for periods lasting less than 24 hours.
- g. Employees or officials will be reimbursed for approved lodging expenses upon presentation of an itemized detail receipt for the actual amount expended as long as the amount is reasonable for the lodging area. The costs of overnight lodging within 75 miles of the County Civic Center will not be reimbursed unless authorized by the Department Head or his/her designate and the reason for the lodging is stated on the Travel Expense Claim.
- h. Expenses charged to employee's or official's personal credit cards will be reimbursed for the employee or official only. Charges for another employee or official will not be reimbursed without approval of the County Administrative Officer or his/her designate.
- i. When a County credit card is used for a meal during any day during a trip, the County's per diem rate cannot be used for that day, or (per Section A. 2. e.), for that trip. Reimbursement will be for actual costs of meals and will be limited to the maximum daily per diem rate, unless specifically explained and approved by the Department Head.
- j. If a travel advance is required in connection with any travel authorized by this regulation, the Department Head or his/her designate shall so request by means of a Travel Advance form



submitted to the office of the Auditor-Controller in accordance with procedures prescribed by that office. The Auditor-Controller is authorized to advance funds to County employees or officials for travel expenses up to 90% of estimated net expense. No new advance will be issued to an employee or official when that employee or official has an unpaid advance in place. Repeated failure to liquidate travel advances on a timely basis will disqualify an employee or official for future travel advances. The Auditor-Controller has authority to revoke travel advances to any employee or official.

3. An employee or official who has been assigned a County-owned or leased vehicle shall not be entitled to mileage reimbursement unless the assigned vehicle is unavailable for use or the County Administrative Officer or his/her designate determines that, in special cases, it would be inappropriate to use the assigned vehicle. If such instances, the reasons for mileage reimbursement must be noted on the County of Tulare –Travel Expense Claim form.
4. Departments shall maintain a list to track pooled vehicles, or those not assigned to a specific employee. At minimum the list shall include the name of the employee checking in/out the vehicle, the check in/out dates, the destination, and whether or not the destination is within County limits.
5. An officer or employee or official who is temporarily absent from the County, on vacation or personal business, may claim reasonable and necessary expense reimbursement from the vacation or personal business location, if required to return to another location on County business, as authorized by the Department Head.
6. Department Heads shall insure that each employee or official driving on County business has a current driver's license. Department Heads shall insure that each employee or official driving their personal vehicle has minimum auto insurance coverage required by the County. This is to be done at least annually.
7. Except as to per diem reimbursement payments received under section 2.e. above, if at any time an employee or official receives reimbursement for expenses, or a travel advance, the amount of which exceeds the actual expenses incurred and substantiated with detailed receipts hereunder, then the employee or official must refund the overpayment back to the County within a reasonable period of time of paying or incurring the expense, not to exceed 120 days, in accordance with IRS regulations. Any such overpayment not refunded to the County within this time period will be treated as taxable income to the employee or official, will constitute a violation of this Regulation, and may subject the employee or official to disciplinary or other administrative action for such violation.

**B. Other Travel and Expenses:**

1. Reimbursement for mileage to/from an employee's or official's home to/from his/her normal work location will not be made unless the first or last stop of the workday is not the normal work location and mileage will only be paid to the extent that it exceeds mileage to/from his/her normal work location to/from his/hers home. (The normal work location of each County employee or official is the place at which that employee or official spends the largest portion of his/her regular work or working time). If an employee has a telework agreement pursuant to Administrative Regulation 42, the normal work location shall be considered the County worksite that houses the employee's primary assigned unit, division, or department. In such cases, the intent is to pay for the miles driven on County business rather than paying for mileage to the normal work location. Mileage will be paid for County business only when it exceeds



the total mileage between an employee's or official's normal work location and the employee's or official's home which is considered commute mileage. All reimbursable mileage will be reported on the County of Tulare – Travel Expense Claim form issued by the Auditor-Controller and must include the date, the destination, and the purpose of the meeting. The Auditor-Controller will determine reimbursable mileage consistent with State and Federal regulations. The reimbursable mileage rate will be at the published IRS rate. The Auditor-Controller will be responsible for notifying County employees or officials of the current IRS mileage rate.

2. All automobile allowances and mileage reimbursements provided by the County are to cover the costs of operation including, but not limited to, depreciation, insurance, fuel/power, oil, and repairs.
3. Employees or officials requiring airline travel should use the authorized County credit card designated by the County Purchasing Agent or other County payment method. Personal payment methods will only be reimbursed for employee's or official's personal County related travel. First Class airline tickets are not authorized under the County Travel Policy.
4. Use of the County credit card must comply with the County Credit Card Policy. The credit card contract can only be changed by the County Purchasing Agent. The Auditor-Controller is authorized to terminate an employee's or official's privilege to use a County credit card if the employee or official fails to comply with the County Credit Card Policy.
5. Personal expenses, including but not limited to, laundering, cleaning, barbering, and alcoholic beverages are not valid County expenses and, therefore, are not to be charged to the County credit card, nor paid or reimbursed through other methods.
6. Tips up to 20% will be allowed for meals and supplementary ground transportation. The full cost of a meal, including the tip, will be counted within the maximum daily per diem reimbursement. (A higher percentage will be allowed only if it is a mandatory charge by the entity providing the meal or service, however it will still be counted within the maximum daily per diem reimbursement.)

**C. Meals and refreshments provided for the convenience of the County and Business-Related Meals:**

1. Meals and refreshments provided for the convenience of the County for training sessions, group meetings, conferences, seminars, or similar meetings are reimbursable provided that they are approved by the Department Head, the reason for the meeting is documented, the names of attendees are provided, and the amount incurred is reasonable.
2. Reimbursement for business meals shall be allowed for County employees or officials and, where appropriate, for other individuals provided they are approved by the Department Head. Detail receipts must show the time, the place, the individuals involved and the detailed purpose of the business meal. Meals by yourself do not meet the requirements for business meals.
3. The County of Tulare - Travel Expense Claim form is to be used for reimbursement of these items.



**D. Automobile Allowances:**

1. Payment of a monthly automobile allowance, in lieu of assignment of a County vehicle, is authorized for elected officials and the County Administrative Officer. In addition, the County Administrative Officer may authorize the payment of such automobile allowances for the following County Officers:

Agricultural-Commissioner/Sealer  
Chief Probation Officer  
Child Support Services Director  
County Counsel  
County Fire Chief  
County Librarian  
Director-Solid Waste  
General Services Agency Director  
Health and Human Services Agency Director  
Human Resources and Development Director  
Information Technology Director  
Law Library Director  
Public Defender  
Registrar of Voters  
Resource Management Agency Director  
Retirement Administrator  
UC Cooperative Extension Director  
Workforce Development Executive Director

2. Such an automobile allowance may also be authorized by the County Administrative Officer upon the request of an Agency Head for the following positions:

Associate Resource Management Agency Director  
Assistant Resource Management Agency Directors (Maximum of 3 positions)  
Assistant Sheriff (Maximum of 2 positions)  
Assistant County Administrative Officer  
Deputy Chief Probation Officer  
Deputy Executive Director TCAG  
Director of Fiscal Operations -HHSA  
Deputy Director of General Services Agency (Maximum of 2 positions)  
Director of Human Services -HHSA  
Director of Mental Health -HHSA  
Director of Public Health -HHSA  
Executive Director TCAG (per agreement with TCAG Board of Directors)  
Executive Director TCRTA (per agreement with TCRTA Board of Directors)  
HHS Medical Directors (Maximum of 2 positions)  
LAFCO Executive Officer  
Undersheriff (considered an Associate Agency Head)



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3. In the event of the creation of a new agency director, assistant or associate agency director, or department head position, the County Administrative Officer will designate on the classification specification for the new position if it is eligible for an automobile allowance. Any positions so designated will be automatically added to the list above. Any positions listed above that are eliminated will be so removed from the list and the allowance will be discontinued. The County Administrative Officer has authority to designate positions to receive automobile allowances as needed.
4. All monthly automobile allowances will be paid through payroll and will be taxable to the employee or official who will have the responsibility to account for his/her automobile expense activity on his/her annual federal and state income tax returns.
5. Individuals receiving a monthly automobile allowance will not be entitled to use of a County vehicle unless traveling outside of the County. If airline travel is necessary for business purposes, then it is permitted for individuals who receive a monthly automobile allowance to be reimbursed for such travel. During the trip for which airline travel is necessary, the individual is also be entitled to reimbursement for other travel expenses (e.g., taxi, bus, train, ride-sharing /ride-hailing service such as Uber or Lyft) to get to his/her hotel, conference, seminar, or similar meeting (if walking is not feasible) since their personal vehicle would not be accessible.
6. Travel and transportation from his/her tax home (as defined by IRS) shall be reimbursed at the rate allowed by the IRS. All reimbursable mileage under this section will be reported on the County of Tulare – Travel Expense Claim form issued by the Auditor/Controller and must include the date, the destination, and the purpose of the trip. The Auditor-Controller is responsible for notifying County employees or officials when the reimbursement rate is changed by the IRS.
7. The monthly automobile allowance amount will be adjusted each time the IRS revises its allowable mileage reimbursement rate and will go up or down depending on the rate as calculated by the IRS. The Auditor-Controller is responsible for the calculation of the new amount and the notification of individuals receiving automobile allowances of annual changes, if any, in the amount of such allowances.
8. Notwithstanding anything to the contrary stated in Board of Supervisors Resolutions confirming the appointment of agency or department heads, the provisions of this Administrative Regulation are controlling as to the processes for authorizing, setting the amounts and annually adjusting the amounts of the monthly automobile allowances paid to such agency and department heads.