

City of Piedmont
COUNCIL AGENDA REPORT

DATE: November 17, 2025

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of Updated Travel Reimbursement Policy (Policy No. 18)

RECOMMENDATION

Adopt the updated Travel Reimbursement Policy (Policy No. 18), superseding the version originally adopted in February 2017.

BACKGROUND

The City's Travel Reimbursement Policy was first established in February 2017 (refer to Attachment B) to provide uniform guidance for employees, officers, and elected officials when incurring business-related travel and other reimbursable expenses.

The updated policy (Attachment A) continues to affirm the City's commitment to prudent stewardship of public funds and emphasizes the use of good judgment in the expenditure of public resources.

Since its adoption, best practices, IRS standards, and audit expectations for travel-related expenditures have evolved. The proposed update brings the City's policy into alignment with current industry standards, government accounting guidance, and General Services Administration (GSA) per diem procedures.

The revised policy provides clearer standards and procedural direction for business-related travel, credit card usage, and expense reimbursements.

Key updates include:

- *Clarification of Travel and Auto-Related Charges*
- Aligns reimbursement procedures with current IRS mileage rates, GSA per diem standards, and establishes clearer guidance on airfare, lodging, and vehicle rental charges.
- *Credit*
Adds stronger documentation and accountability requirements for City-issued credit cards and restricts their use to incidental, one-time purchases.

- *Expense*
Reinforces the 30-day deadline for submitting reimbursement requests and adds provisions for timely reconciliation of travel advances.
- *Auto Allowance Transition*
Clarifies eligibility for automobile allowances within specific unrepresented employee groups (Mid-Management, and Professional/Technical/Supervisory). Establishes a transition effective January 1, 2026, whereby new employees in these classifications will no longer receive a fixed auto allowance but will instead be reimbursed for authorized mileage at the prevailing IRS rate.
- *Administrative Flexibility*
Affirms the Finance Department's role in administering the policy and authorizes the City Administrator to approve exceptions in writing, ensuring transparency and compliance with IRS and audit requirements.

The revised policy preserves the original intent adopted by Council in 2017 — to ensure responsible, equitable, and transparent use of City resources — while incorporating the operational clarity and procedural safeguards now considered best practice among California municipalities.

FISCAL IMPACT:

The updated policy is not expected to increase City costs. In fact, improved clarity around travel and auto reimbursements is anticipated to enhance efficiency and support consistent, well-documented practices across departments.

By: Kiran Bawa, Finance Director

Attachments:

- A. Updated Travel Reimbursement Policy
- B. Existing Travel Reimbursement Policy Adopted in February 2017

Attachment A**CITY OF PIEDMONT
Policy & Procedure****Policy No. 18****Section: Administration / Finance****SUBJECT: Travel, Expense, and Auto Allowance Policy****Policy**

This policy applies to all employees, volunteers, officers and elected officials of the City of Piedmont when traveling for business or incurring business-related expenses. Its purpose is to ensure uniform and fair payment of expenses, and to establish procedures for securing cash advance or reimbursement.

The policy also covers payment requests for miscellaneous expenses and appropriate use of City credit cards. Travel must be done in a cost-effective manner and documented to meet audit, Internal Revenue Service and public record request requirements.

To ensure prompt payment, City representatives must submit reimbursement requests within 30 days of incurring expenses, including all supporting documentation (e.g., receipts, bank or credit card statements).

I. AUTHORIZATIONS AND LIMITATIONS

All requests for business travel require approval in advance by the Department Head and/or the City Administrator. Authority to waive or amend the limitations of this policy rests with the City Administrator. Travel in excess of 400 miles or out of state requires City Administrator approval.

Travel and meeting expenditures shall not exceed approved budget appropriations and associated fiscal policies.

Personal and Guest Expenses

The City shall not be responsible for any travel associated with personal business. If an employee attends a conference or meeting that also includes personal business, only expenses directly related to the City business may be claimed. Regardless of employee attendance, expenses for family or personal guests shall not be reimbursed.

Attachment A**II. ADVANCE OR PREPAYMENT GUIDELINES**

To reduce personal financial impact, an advance may be requested for lodging and/or travel expenses that cannot be charged to a City credit card.

An advance request must be submitted to the Finance Department at least two weeks prior to departure and must be supported by necessary conference registration materials or other travel justification and mileage calculations (if applicable). The Finance Department will typically issue a check within one week of receiving a complete request and the scheduled departure date.

Any unused portion of an advance must be returned to the City within ten (10) business days after completion of travel. Repayment shall be made by check payable to the City of Piedmont and submitted to the Finance Director or their designee.

III. REIMBURSEMENT GUIDELINES

Complete expense reimbursement requests must include:

- An itemization of expenses;
- A brief explanation of the purpose of the trip or meeting; and
- Original receipts except for per diem allowances.

Reimbursement requests should be submitted to the Finance Department within 30 days of incurring the expenses. If a travel advance was issued, it must be reconciled in the final reimbursement request. Reimbursement requests with incomplete documentation will be denied.

Air Travel

Airfare should be booked for economy/coach class only. Upgrades are not reimbursable. All tickets should be purchased in advance to take advantage of the most economical fares available. Airfare should preferably be charged to a City credit card. A copy of the air travel reservation will be required for credit card reconciliation.

If payment is made using personal funds, a reimbursement request should be submitted along with the air travel reservation. Seat selection fees are reimbursable only if required to obtain an economy class seat.

In situations where air travel would normally be required, but the traveler chooses to drive instead, reimbursement will be limited to the lower of the two options—driving or flying. Airline baggage fees will be reimbursed for one checked bag only.

Automobile Travel

Mileage reimbursement for use of a personal vehicle will be paid at the current IRS standard mileage rate. Mileage is calculated based on the shortest distance between the employee's home or the primary work location and the destination. Mileage will not be reimbursed when using a City-owned, leased, or rented vehicle. Travelers should use City vehicles whenever available.

Attachment A

Car Rentals / Shuttle / Airport Parking

Charges for rental vehicles and comprehensive auto insurance will be reimbursed when it is determined that a rental vehicle is more appropriate than other forms of transportation. Pre-paid fuel purchases are not reimbursable.

The IRS mileage rate does not apply to rental vehicles; only receipted fuel expenses will be reimbursed. Receipts must be submitted with reimbursement requests. Taxis or shuttle fares may be reimbursed, including a maximum gratuity of 15% per fare.

For travel exceeding 24 hours, the most cost-effective long-term parking option must be used. Parking charges and tolls will be reimbursed with appropriate documentation.

Lodging

Lodging expenses, including applicable taxes, should preferably be charged to a City credit card. City representatives should request the “government rate” when securing lodging accommodations and take advantage of the group discount rates afforded conference attendees when applicable. Reimbursement for lodging will be based on the actual expenditure. Efforts should be made to secure safe, reasonably priced accommodations in advance of departure that align with the Federal per-diem rates established by the U.S. General Services Administration (GSA) for the destination city. For details refer to <http://www.gsa.gov/perdiem>.

Meals

Meal and incidental expenses shall not exceed the daily federal per diem rate established by the IRS and US GSA. Per Diem will not be provided for meals included as part of lodging, training or conference registration.

Meal costs exceeding the per diem amount are not reimbursable. Gratuities, service charges and other charges added to a meal are considered part of the per diem. For details on Per Diem rates refer to <http://www.gsa.gov/perdiem>.

Non-Allowable Costs

The following items are not eligible for advance or reimbursement under this policy:

- Unjustified car rental and/or upgrade from a standard compact size vehicle
- Flight or travel insurance
- Air travel ticket above coach/economy class
- Parking or moving violation fines, penalties for any legal infractions, automobile repairs, and towing charges
- Passport application fees
- Unjustified cancelled travel tickets and associated change/cancellation fees
- Lodging expenses exceeding the federal per diem rate without justification
- Lodging other than a standard room rate; upgrades are not reimbursable
- Payment for accommodation with friends or relatives
- Hotel entertainment expenses (e.g., movies, unjustified internet access etc.)

Attachment A

- Meal expenses in lieu of conference provided meals
- Alcoholic beverages
- Boarding costs for pets and children during business travel
- Excessive personal phone calls from hotels
- Personal laundry or dry cleaning expenses
- Baggage handling fees and gratuities exceeding 15% of the total bill
- Loss, damage, or theft of personal property

IV. MISCELLANEOUS EXPENSES

Payment requests for miscellaneous expenses should be submitted to the Finance Department by 9am on Tuesday of each week. Checks will be processed by pm on Thursday and mailed to the respective vendors unless otherwise requested to be routed to the Department contact.

Payment requests should be accompanied with all supporting documentation (bills, invoices, receipts etc.) and a clear statement of purpose.

These fundamental principles must be observed when costs are incurred on behalf of the City:

- Expenses must be necessary
- Costs must benefit the City of Piedmont;
- Expenses must be within budget authority and use the appropriate fund source
- Personal and City business must not be co-mingled
- Procurement and contract guidelines must be followed
- Good judgement should be exercised in the use of public resources

V. CREDIT CARD USAGE

Authorized individuals shall submit payment requests for purchases made using the City's credit cards. The following guidelines must be observed:

- Credit cards are for incidental one-time expenses
- Credit cards are not to be used for purchase of major or significant items that require prior approval (e.g., office furniture, computer equipment etc.)
- No personal purchases
- No cash advances or cash back
- Expenses shall not exceed the specified credit limit
- All transactions must be supported by receipts and a business purpose
- The card should be kept in a secure location
- Each user is fully accountable for their charges;
- A usage log for shared cards shall be maintained;
- No automatic recurring payments;
- Lost or stolen cards shall immediately be reported to the Finance Department and card issuer.

Attachment A**VI. AUTO ALLOWANCE**

Certain employees in the **Mid-Management** and **Professional /Technical /Supervisory** unrepresented employee groups currently receive a fixed monthly automobile allowance in recognition of the required use of their personal vehicle for official City business. The allowance is intended to cover all costs associated with the use of a personal vehicle for City business within the local area, including fuel, maintenance, insurance, and depreciation.

Employees receiving an auto allowance are not eligible for mileage reimbursement for local travel within their normal work area. Mileage reimbursement may be claimed only when using a personal vehicle for approved travel outside City limits by more than 75 miles one way, or when specifically authorized by the Department Head or City Administrator.

This allowance shall continue for current employees in these classifications who were receiving the allowance as of December 31, 2025. Effective January 1, 2026, any new employees appointed or promoted into these classifications shall not be eligible for a fixed automobile allowance and shall instead be reimbursed for authorized mileage at the prevailing IRS standard mileage rate in effect at the time of travel.

VII. POLICY ADMINISTRATION AND EXCEPTIONS

The Finance Director is responsible for administering this policy, including interpreting provisions, updating GSA rates, and ensuring compliance with applicable IRS regulations.

Any exceptions to this policy must be approved in writing by the City Administrator and documented with the reimbursement request.

Initiated: Finance Director

Approved By:

Attachment B**CITY OF PIEDMONT
Policy & Procedure****Policy No. 18
Section: Administration / Finance****SUBJECT: Travel & Expense Reimbursement****Policy**

This policy applies to all employees, volunteers, officers and elected officials of the City of Piedmont when they travel for business purposes or incur business-related expenses to ensure uniform and fair payment of expenses, and is intended to establish procedures for securing cash advance or reimbursement. Additionally, this policy elaborates on the procedures for payment requests for miscellaneous expenses and appropriate use of City credit cards to make purchases.

The City of Piedmont will pay for all reasonable and necessary expenses for representatives of the City on City-related business. Travel for City business is to be done in the most cost-effective manner possible and documented sufficiently to meet audit, Internal Revenue Service and public record request requirements. To ensure prompt payment, City representatives are required to submit reimbursement requests within 30 days of incurring the expenses along with all necessary back up documentation including but not limited to individual vendor receipts, bank/credit card statements etc.

I. AUTHORIZATIONS AND LIMITATIONS

All requests for business travel require approval in advance by the Department Head and/or the City Administrator. Authority to waive or amend the limitations of this policy rests with the City Administrator.

Travel and meeting expenditures shall not exceed approved budget appropriations and associated fiscal policies.

Personal Business: The City shall not be responsible for any travel associated with personal business. If an employee attends a conference/meeting for which reimbursement is claimed that also includes personal business, the employee shall only seek reimbursement for expenses associated with the conduct of the City's business.

Guests: Regardless of employee's attendance at a conference or meeting, expenses for family or personal guests shall not be reimbursed by the City.

Attachment B**II. ADVANCE OR PREPAYMENT GUIDELINES**

To lessen personal financial impacts, an advance may be requested for lodging, conference registration fees, and/or travel expenses. An advance request must be submitted to Finance Department at least two weeks before expected departure and must be supported by necessary conference registration materials or other travel justification and mileage calculations (if appropriate). Finance will normally issue a check to the City representative within a week of receiving the reimbursement request.

III. REIMBURSEMENT GUIDELINES

Complete expense reimbursement requests shall include an itemization of expenses, a brief explanation of the purpose of the trip or meeting and shall be fully supported by original receipts with the exception of per diem. Reimbursement requests should be forwarded to the Finance Department no more than 30 days of incurring the expenses. If a travel advance was issued, the advance must be settled in the final reimbursement request. Reimbursement requests with incomplete documentation will be denied.

Air Travel

Airfare should be booked for economy/coach class only. Upgrades are not reimbursable. All tickets must be purchased in advance to take advantage of the most economical fares available. Air travel itinerary is required to be submitted with travel reimbursement requests. In situations where employees would normally travel by air, but an employee chooses to drive instead, reimbursement will be the lower of the two options, driving or flying. Airline baggage fees will be reimbursed for only one checked bag.

Automobile Travel

Reimbursement for mileage for use of a personal vehicle shall be paid at the prevailing Internal Revenue Service standard reimbursement rate in effect at the time the travel request is approved. <https://www.irs.gov/tax-professionals/standard-mileage-rates>. The mileage calculation will be based on the shortest distance from the origin of travel (home or business). Mileage will not be reimbursed when using a City vehicle or for a leased/rented vehicle paid for by the City. Employees should use a City-owned vehicle when possible.

Car Rentals / Shuttle / Airport Parking

Charges for rental vehicles and comprehensive auto insurance shall be reimbursed if it is determined that a rental vehicle is more appropriate than other forms of transportation. Pre-paid fuel for full tank is not reimbursable. The IRS mileage rate will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed. Original receipts are required to be submitted with reimbursement requests.

Taxis or shuttle fares may be reimbursed, including a maximum 15% gratuity per fare.

The most cost effective long-term parking is to be used for travel exceeding 24-hours.

Parking charges and tolls may be reimbursed with appropriate documentation.

Attachment B

Lodging

Reimbursement for hotel or motel lodging expenses, including applicable taxes, will be on the basis of actual expenditure but shall not exceed the Federal per-diem GSA (General Services Administration) rate for lodging. For details refer to <http://www.gsa.gov/perdiem>. Every effort should be made to secure safe, reasonably priced accommodations close to the meeting venue prior to traveling. City representatives should request the “government rate” when securing lodging accommodations.

Meals

The City’s maximum full day meal and incidental expenses rate shall be equal to the maximum federal per diem and incidental expenses rate established by the IRS and US GSA. Per Diem rates can be found at GSA’s website located at <http://www.gsa.gov/perdiem>.

Per Diem amounts will not be paid for a meal provided as part of lodging, training or conference. Meal costs that exceed the per diem amount are not reimbursable. Gratuities, service charges and other costs added to a meal are considered part of per diem.

Non-Allowable Costs

The following items do not qualify for advance or reimbursement payment under this policy:

- Unjustified car rental and/or upgrade from standard compact size vehicle;
- Flight/travel insurance;
- Air travel ticket higher than coach/economy class;
- Parking/moving violations tickets or other penalties for infractions of any law, repair of automobiles and towing charges;
- Passport application fees;
- Unjustified cancelled travel tickets and change/cancellation costs;
- Unjustified lodging in excess of federal per diem rate;
- Lodging other than “standard” room rate. Upgrades are not reimbursable;
- Payment for accommodation with friends/relatives;
- Hotel entertainment (movies, unjustified internet access etc.);
- Meal expenses in lieu of conference provided meals;
- Alcoholic beverages;
- Boarding costs for pets and children during business travel;
- Excessive phone calls from hotels;
- Personal laundry/dry cleaning expenses;
- Baggage handling fees and gratuities exceeding 15% of the total bill;
- Loss/damage/theft of personal property.

Attachment B**IV. MISCELLANEOUS EXPENSES**

Payment requests for miscellaneous expenses should be submitted to the Finance Department by 9 am on Tuesday of each week. The checks will be processed by 4 pm on Thursday and mailed to the respective vendors, unless requested to be routed to the Department contact. Payment requests should include a completed and signed Check Request Form accompanied with all relevant bills, invoices, receipts and other relevant documentation supporting the expense. State the purpose of the expense clearly and briefly.

The fundamental principles which should be observed when costs are incurred on behalf of the City are:

- Ensure that costs incurred are necessary and reasonable;
- Ensure that costs incurred are for the benefit of the City of Piedmont in general;
- Ensure that expenses are within the budget authority using appropriate fund source;
- Personal and City business must not be co-mingled and any personal expenses should be excluded from the receipts;
- Adhere to procurement and contract guidelines for payment to third party contractors.
- Use good judgement in the usage and stewardship of the City's resources.

V. CREDIT CARD USAGE

Authorized employees shall submit payment requests for relevant purchases made using the City's credit cards. The following credit card guidelines shall be observed:

- Credit cards shall be used for incidental one-time expenses;
- Credit cards shall not be used to purchase big or important items that require approval prior to procurement (such as purchase of office furniture, computer equipment etc.);
- Purchases shall not be made for personal expenses;
- Cannot be used for cash advances or cash back from purchases;
- Expenses shall not exceed the specified credit limit;
- A clear documentation to justify the expense is required with payment request;
- Keep the card in a secure location;
- Each user is fully accountable for charges on their credit card;
- Maintain a log for the use of credit cards shared by more than one staff member;
- Do not setup automatic payments using the credit cards.

Initiated: Finance Director

Approved By: City Council (Resolution 6-17)