

## CITY of AUSTIN Administrative Bulletin

Title **Business Expense Reimbursement**

Administrative Bulletin Number **07-11**

Effective Date **December 1, 2007**

Revised ☐ Annually ☒ As Needed

Prepared by **Financial Services**

Original Date **December 1, 2007** Revised \_\_\_\_\_

Manager's Approval *Toby H. Stuebel*



### PURPOSE

To establish a policy for efficient City payment of necessary and reasonable business expenses incurred by City employees during the conduct of official business for the City of Austin.

### POLICY

The City will reimburse employees for necessary and reasonable business expenses, including meals, parking, and registration, when the employee is not on travel status.

- Reimbursement for expenses while an employee is on travel status is covered in the City's Travel Policy.
- Mileage reimbursement for business purposes is addressed in the City's Mileage Reimbursement Policy.

This policy is also applicable to business expenses paid directly by the City.

Employees requesting business expense reimbursement will maintain and submit records of the date, business activity type, location, business purpose, names and business relationship or title of participants, and activity or program to be charged for the expense.

Certain costs related to employee meals may not be eligible for reimbursement. See Administrative Bulletin 06-02, entitled "Guidance for Using City Funds to Buy Meals for City Employees" for further clarification.

### DEFINITIONS

**Business Purpose:** Actively engage in the discussion, meeting, negotiation, or other business transaction to benefit the City. The purpose may be to encourage the continuation of an existing business relationship.

**GAX** – Advantage 3 payment document to process eligible business expense reimbursement to employees

**Official City Business:** The performance of business duties directly relating to the City of Austin.

**Necessary and Reasonable Business Expense:** Expenses incurred during the conduct of official business of the City of Austin. The expense must have a documented business purpose. The expense must be reasonable.

**Reimbursable business expense:** Expense incurred during the conduct of official business of the City of Austin that are eligible for reimbursement. The expense must have a legitimate business purpose.

**Travel Status:** An employee is on travel status if both of the following conditions are met:

- 1) The employee's duties require the employee to be away from Austin for a period that is substantially longer than an ordinary day's work, and
- 2) The employee needs to sleep or rest to meet the demands of work while away.

**Valid Receipt:** Itemized list of expense provided by provider, such as cash register receipt. For credit card purposes, a detailed receipt must be provided. The charge slip, with no detail of the purchased items, is *not* adequate.

## ROLES AND RESPONSIBILITIES

**Employee:** Maintain records of business expenses; file timely, accurate, complete business expense reimbursement requests; provide requested supporting information as required.

**Employee's Supervisor:** Review request for compliance with policy and approve as appropriate. Reject claims that do not meet the criteria of reimbursable business expense.

**Department:** Enter appropriate transaction in the City's accounting system; forward the payment package to the Controller's Office, Accounts Payable section, for payment.

**Controller's Office:** Review the request for compliance with procedures; approve the payment transaction, produce the payments, and forward the checks to the requesting department.

## PROCEDURE

1. Maintain records of business expense
  - a) The employee must maintain valid receipts for all expenses.
  - b) For each expense, the employee records the following information:
    - type and location of business activity
    - date and business purpose of expense
    - names and titles/business relationships of participants
    - activity or program to be charged for the expense
2. Submit request for reimbursement
  - a) The employee prepares, or cause to be prepared, a Business Expense Reimbursement Form, including the following information for each expense:
    - Date of expenditure
    - Type and location of business activity
    - Participants and business relationships or titles: Must be completed if reimbursement is requested for meals or similar expenditure
    - Business purpose of expenditure
    - Amount of expenditure

Note: Tax and tips for meals are reimbursable and may be included on the reimbursement form. Tips cannot exceed amounts determined by Administrative Bulletin 07-07, entitled "Authorized Use of Public Funds for Employee

Recognition Events; Commemorative Retirement Gifts; Charitable Events; and Gratuities”.

- b) The employee signs form certifying that claim is true and unpaid.
- c) The employee attaches all receipts to support business expenses claimed on the form.
- d) The employee submits this reimbursement request no later than 60 days after the expense has been incurred. Departments have the authority to establish earlier deadlines but cannot establish deadlines that extend past 60 days.

3. Supervisor Review and Approval

- a) Review request. The supervisor will review the employee's request to insure
  - The form clearly reflects the business purpose of each item to be reimbursed;
  - The expense is appropriate and reasonable; and
  - The report contains sufficient information to document the business purpose of each expense.
  - Receipts are attached for each expense claimed on the report.

NOTE: Expense reimbursement requests that do not clearly list the purpose for each expense or are not supported by valid receipts will not be processed by the Controller's Office Accounts Payable section.

- b) Approve request. By signing the reimbursement request, the supervisor indicates that
  - he/she has reviewed the employee's request ;
  - the request clearly lists the business purpose for each expense;
  - valid receipts are attached for each expense;
  - the request is appropriate and reasonable; and
  - the employee is authorized to receive reimbursement for the expense shown.
  - The proper activity or program is charged for the expense

4. Payment Preparation

- a) The User Department enters a GAX transaction in the City's accounting system and prepares a payment package for submission to Controller's Office Accounts Payable section. Transactions submitted for payment must satisfy the following requirements:
  - Vendor Code: Use MIS0000024
  - Vendor Name must match the employee's name on the payroll system. Do not use nicknames.
  - Handling Code must be set to "SP"
  - Vendor Invoice number: 12345678BYYMMDD
    - 12345678 = eight digit employee identification number
    - B =Business Expense
    - YY=2-digit year of report
    - MM=2 digit month of report
    - DD=2 digit day of report (last day of month)
    - Example: December 2006 = 12/31/06
  - Invoice date: Use the last date of the month in which expenses were incurred.
  - All business expenses for an employee for a specific month must be paid on the same GAX.
  - Reimbursement for more than one month may be included on a GAX, provided that each month is paid on a separate line.
- b) The GAX payment package must include supporting documentation.
  - Business Expense Reimbursement Form as supporting documentation.
  - Receipts or invoices for each expense
  - Supporting documentation must clearly identify the employee receiving reimbursement.

- Supporting documentation must contain sufficient information to document the business purpose of each expense.
  - Supporting documentation must be signed by the employee and the employee's supervisor or other authorized individual.
5. Review and Process Payment
- a) In addition to established Accounts Payable payment review procedures for transaction review, Controller's Office performs the following reviews:
    - Verify name on vendor code matches employee's name on Payroll system.
    - Review supporting documents to ensure that valid receipts are attached for each expense.
    - Review supporting documents to ensure that the purpose of each expense is clearly indicated. If purpose for each expense is not clearly listed, Controller's Office will return the payment package to the department
    - Verify check category is set to "SP"
  - b) After successful review, Accounts Payable processes the GAX document
  - c) Checks are returned to the departments through interoffice mail.

## FORMS

### Business Expense Reimbursement Form