



City of Los Angeles Harbor Department Travel Policy

Section 1 – Overview and General Guidelines

City of Los Angeles (City) Harbor Department (Harbor Department) employees and elected officials may be required to travel on official City business in the performance of their duties and responsibilities. The Harbor Department Travel Policy guidelines are largely in conformity with the Los Angeles Administrative Code (LAAC) Division 4, Chapter 5, Article 4 and the Internal Revenue Service (IRS) "Accountable Plan" criteria for allowable travel expenses.

The Harbor Department Travel Policy provides guidelines for Harbor Department employees traveling on official City business. Travelers should be mindful that documents related to City travel expenditures are public records and may be subject to disclosure under the California Public Records Act.

General guidelines:

- City employees or elected officials will only incur expenses that a reasonable and prudent person would incur if traveling on personal business.
- Before a City employee or elected official incurs travel expenses, due consideration must be given to such factors as suitability, convenience, and the nature of the business involved. Travelers should book their travel arrangements sufficiently in advance to minimize the cost of travel.
- Per LAAC 4.242.2(f), travel expenses are those incurred outside the geographic boundaries of the Los Angeles County for official City business. In line with best practices of other governmental entities, the City follows the "50-mile" rule and will reimburse travel expenses if the travel destination is farther than 50 miles from both the individual's primary residence and headquarters.
- Travelers should use the most economical method of transportation. Travel Administrator staff should consider the cost of time employees will be away from headquarters before approving a method of transportation.
- Deviations from the Harbor Department Travel Policy are generally not reimbursable. Per LAAC 4.242.3(j), travelers should be prepared to absorb the cost of unapproved expenses as a personal expenditure.

The Harbor Department Travel Policy also applies to non-City employees whose travel expenses are paid by the Harbor Department, such as individuals from non-profit organizations or other jurisdictions requested by the Harbor Department to sit on interview or selection panels. For travel by Harbor Department contractors, the Harbor Department Travel Policy only applies in the absence of specific provisions in the contract regarding travel.

Section 2 – Terms and Definitions

Authorized Approvers: Generally, the Department Head, or other approvers designated by the Department Head, with the responsibility of reviewing and approving travel authorities and expenditures and ensuring compliance with the Harbor Department Travel Policy.

Headquarters: This is where employees spend the largest part of their regular working time, or where the employee returns upon completion of a special assignment, or a specifically assigned geographic area regularly traveled.

Official City Business: Activities of an employee or elected official that demonstrates:

- A valid City interest to be served or gained thereby; or
- Relevance to the City operations or the individual's role in such operations; or
- The promotion or development of City programs, methods, or administration; or,
- Compliance with instructions or authorization from the Mayor or the Council.

Per Diem Expenses: Lodging, meals, and incidental expenses while traveling on official City business.

Primary Residence: This is the dwelling where the employee lives, which bears the most logical relationship to the employee's headquarters, regardless of other legal or mailing addresses. If an employee maintains more than one dwelling, the Department will designate the employee's primary/permanent residence.

Other Travel Expenses: These are costs, other than per diem and transportation that are necessary for the conduct of official City business. Examples include registration, seminar, or meeting fees, telephone calls, parking fees, and supplies.

Transportation Expenses: Costs to transport the employee for official City business.

Travel: Official City business that requires the traveler to be away from the general area of the individual's primary residence substantially longer than an ordinary day's work, and which requires the traveler to sleep or rest to meet the demands of work while away from the individual's primary residence.

Travel Days: Days spent en route between the primary residence/headquarter and a destination city (i.e., the first and last day of a trip).

Travel Expenses: Per diem, transportation, and other travel expenses incurred while traveling on official City business.

Section 3 – Controller Responsibilities

In accordance with Charter Section 262, the Controller has delegated the pre-review and approval of travel authorities and expenditures to Council-controlled Departments. The Controller will conduct periodic reviews of Departmental compliance with the Harbor Department Travel Policy, as well as post-review of travel transactions. The Controller may suspend delegated travel approval authority until review findings are corrected.

The Harbor Department is governed by the Board of Harbor Commissioners. The Controller review will be in accordance with the respective board-adopted travel policy.

Section 4 – Harbor Department Responsibilities

The Harbor Department is responsible for establishing a system of internal controls to ensure that its travel expenses are reasonable, economical, justified, a prudent use of public funds, and in compliance with the Harbor Department Travel Policy. Department Heads may designate other Authorized Approvers for travel. For the purpose of this policy, Department Head generally means the general manager, executive director, board, body, or elected or appointed officer having control and management of the department.

Department Heads shall designate a Department Travel Administrator who will:

- Serve as the primary contact for travel coordination and processing;
- Ensure travelers have read and understood the Harbor Department Travel Policy;
- Review travel authority and expense documents for compliance with Harbor Department policies;
- Identify exceptions to the Harbor Department Travel Policy and obtain Department Head approval of written justification and supporting documentation for the exceptions;
- Ensure that unallowable and/or unapproved expenses are not paid;
- Track credits from canceled airline reservations;
- Monitor travel advances, and ensure that outstanding advances are collected and adjusted in a timely manner; and,
- Respond to Controller travel-related questions.

Section 5 – Documenting and Approving Travel Plans (Travel Authorities)

A completed travel authority documenting the travel plan and estimated costs must be approved by the Department Head and submitted to the Travel Administrator ten (10) days prior to the commencement of travel. Supporting documentation as to the necessity and importance of the travel must be included with the travel authority. Travel arrangements should not be made until the travel authority has been approved.

Travel blanket authorities may be established when large groups of employees that travel throughout the year to perform functions or attend activities for the same purpose. Divisions must include written justification explaining the recurring and same purpose nature of the requested trips. Divisions may encumber the total estimated dollar amount needed to cover these trips for the entire fiscal year.

Section 6 – Other Required Approvals and Notifications

A. Travel for Department Heads and Commissioners

The Executive Director and Commissioners must not review and approve travel authorities and travel expenses related to their own travel. Per the Mayor's 2014 Executive Directive No. 4 (2014 ED-4), travel authority documents for all Department Heads and Commissioners, including proprietary departments, must be approved by the Mayor's Office. Personal expense statements (PES) of the Executive Director and Commissioners that have exceptions to the Harbor Department Travel Policy also require approval by the Mayor's Office. Travel authorities and PES documents for the Executive Director and Commissioners that do not require approval from the Mayor's Office must be reviewed and approved by an Authorized Approver other than the Executive Director or Commissioners that are traveling.

B. Travel to Sacramento or Washington D.C.

Per LAAC 4.242.9, all non-elected City officials and all other City employees must notify the Mayor, the Chair of the Committee that oversees the Intergovernmental Relations function, and the Chief Legislative Analyst prior to traveling on official City business to Sacramento or Washington, D.C. Employees of the City Council or Office of the Mayor are exempt from this requirement.

C. Travel Related to Advocacy and Intergovernmental Relations

Per 2014 ED-4, travel to Sacramento and Washington, D.C. by City employees and non-elected officials for the purposes of advocacy on behalf of the City requires approval from the Mayor's Office. Mayoral approval is also required for any travel by any City employee outside of the State of California for the purpose of conducting official City business with any other government entity, commission, agency or department. Elected officials and their staff are exempt from this requirement.

D. Foreign Travel involving more than one City Commissioner

Per LAAC 4.242.9, advance Board of Harbor Commissioners approval must be obtained for foreign travel (except to Canada or Mexico) involving more than one City commissioner. A request for such foreign travel must be filed with the City Clerk for placement on the next available Council agenda.

Section 7 – Transportation Expenses

A. Transportation Selection Criteria

Travelers are expected to select the least costly method of transportation after considering total travel expenses and employee time away from headquarters. Travelers may use a more costly form of transportation, but will be reimbursed at the less costly rate. In such cases, the Traveler should prepare and document a cost comparison to determine the less costly rate. Travelers should consider and document their justification for choice of transportation based on the following criteria:

1. The cost of personnel hours lost in travel.
2. Total travel costs (airline, rental vehicle, ground transportation, private or department vehicle, etc.).
3. Added per diem costs.

B. Airline Travel

Travelers may book any fare within the Economy booking classification. Travelers are not required to book lower fares that require extra fees (e.g. carry-on items or seat selection). See *Section 10* for exceptions.

Travelers should do the following to avoid paying higher airfares:

- Use the City's authorized business travel service provider to make airline travel arrangements. If booking a flight using a personal credit card, the traveler must provide sufficient proof that selected airfare is at least equal to or lower than airfare available from City's authorized business travel service.
- Make airline reservations in advance to minimize the cost of travel.
- Purchase non-refundable tickets, unless the risk of changes in travel plans outweigh the benefit of booking a non-refundable ticket.
- Select an arrival/departure airport that is closest to the destination, unless flights are not available or airfare is more expensive than the additional ground transportation costs to reach the destination.

The Harbor Department shall not reimburse its travelers for using frequent flier points or other promotional benefits for official City business. Frequent flier points or any other promotional benefits earned by the traveler from official City business travel are the property of the employee. Although travelers may use frequent traveler benefits

earned on official or personal travel for a subsequent City travel, the City will only reimburse for actual out-of-pocket expenses incurred.

C. Alternate Mode of Transportation (other than airline travel)

The Harbor Department should consider using a City car before using a private automobile or automobile rental. In addition, the use of a private automobile for travel is discouraged unless the Harbor Department can demonstrate a business need and has compared it to other alternatives such as a City car. The use of modes of transportation other than airline travel must be approved by Department Heads in advance and the allowable cost shall be the actual cost of the alternate mode of transportation (including incidental costs such as parking fees) or the cost allowable under a regularly scheduled airline, whichever is less. Parking tickets, traffic violations or other penalties for infractions of any law that occur during travel are not reimbursable.

When choosing to drive to a non-adjacent county, Divisions should prepare a cost comparison between air travel and driving. A cost comparison is not necessary when the destination is in an adjacent county to Los Angeles since air travel is generally not the most economical or convenient. Adjacent counties include Orange, Riverside, San Diego, San Bernardino, Ventura, Kern, Santa Barbara, and San Luis Obispo.

Travelers should comply with the following guidelines for the chosen alternate mode of transportation:

- 1) Private automobile
 - a) Travelers operating the vehicle must have a valid driver's license and comply with LAAC section 4.232 insurance requirements.
 - b) Documentation of miles traveled, such as a map print-out with the number of miles is required. It should be noted that Article 2 prohibits the reimbursement of mileage traveled between the employee's home and headquarters. Mileage reimbursement for employees will be for the distance in excess of home to headquarters during scheduled workdays and for non-scheduled workdays, reimbursements will be for miles from home to destination and back.
 - c) Reimbursement for private automobile use shall be in accordance with the mileage provisions under the LAAC Division 4, Chapter 5, Article 2.
 - d) Reimbursement for use of a personal automobile will be payable to only one employee when traveling together with other employees on the same trip and in the same vehicle.

- e) Reimbursement is not allowable if the traveler already receives a car allowance or any type of vehicle subsidy from the City on a regular basis through payroll.
- f) Travel mileage should be claimed on the PES and not on the mileage reimbursement form.

2) Automobile rental

- a) Travelers should select a mid-size or smaller rental car
- b) Domestic rental car insurance is not reimbursable. Expenses arising from auto accidents will be reimbursed by the City through the self-insurance program. Travelers should consult with the City Administrative Officer (CAO) Risk Management Section for additional guidance.
- c) For foreign travel, travelers should purchase that country's liability insurance from a reliable source.
- d) Receipts are required for reimbursement of rental car, gasoline, parking, and toll expenses. If receipts for toll and/or parking meter expenses are not available, provide printouts from official websites, credit card receipts, or other appropriate documentation.
- e) Travelers must fill the gas tank before returning a rental vehicle to avoid fuel surcharges.
- f) Add-ons (e.g., GPS device) or other rental fees are not reimbursable expenses.
- g) Travelers are responsible for canceling rental car reservations if no longer necessary and documenting the cancellation in case of a billing dispute.

Section 8 – Per Diem Expenses (Lodging, Meals and Incidentals)

Per LAAC 4.242.3(b), travelers are expected to seek moderately priced establishments of acceptable quality when selecting restaurants and hotel rooms. The City uses the federal destination per diem rates as specified by the United States General Services Administration (www.gsa.gov/perdiem) as the maximum rates for reimbursements on lodging and meals and incidental expenses. The federal per diem rates vary by destination and month of travel for lodging and meals and incidental expenses. For domestic travel, lodging taxes and fees are not included in the per diem calculation. For international travel, lodging taxes and fees are included in the per diem calculation.

Under IRS rules, actual costs cannot be "lavish and extravagant" or in excess of the destination per diem rates or higher than 200 percent of the federal per diem rates; otherwise, the expenses are subject to taxable income reporting (on the employee's Form

W-2) and are treated as paid under a non-accountable plan. In addition, the public may perceive the expenses as not a prudent use of public funds.

Any exceptions require approval from Department Heads.

A. Lodging/Hotel

The traveler must select the most economical and practical accommodations taking into consideration transportation costs, time, and other relevant factors. The following guidelines apply to lodging for travel:

- The rate must be for single occupancy standard room and, if available, at the federal per diem rate.
- Generally, lodging should be limited to the actual dates of official City business. Additional lodging for one day before and/or after the event may be authorized to mitigate hardship for the traveler. The Executive Director or designee (Deputy Executive Director) may authorize extending the stay for any of the reasons discussed below with documentation of the reason. The following are guidelines and therefore are not to be considered exceptions:
 - In-state travel that meets the “50-mile” rule: Traveler may secure lodging the evening prior to the event/conference or stay an additional night if the Traveler would otherwise have to depart so early in the morning or arrive home so late in the evening that it would be impossible or constitute a hardship for the Traveler.
 - Out-of-state travel: Traveler may stay an additional night and return the following morning if the meeting ends too late for the Traveler to make the last available flight or if the Department Head determines the stay to be necessary or in the best interests of the City.
 - Staying an additional night, either before and/or after the meeting, if it results in a net savings to the City when all costs are considered (with a detailed accounting of the savings).
- Reimbursement will be for actual hotel expenses but not to exceed the total of the applicable federal per diem rate (plus fees and taxes, if applicable) for the destination and length of stay for the individual traveler.
- If the traveler is staying at the event/conference hotel or "authorized/sponsor" hotel for the event/conference, supporting documentation must be submitted with the travel request package in order to receive reimbursement for actual costs up to 200% of the per diem limits. Acceptable documentation include confirmation letter indicating the meeting will be held at a particular hotel, or brochure/literature indicating the selected hotel is an "authorized/sponsor" hotel.

- If a room is not available at the event/conference hotel or any of the "authorized/sponsor" hotels, reimbursement for actual costs up to 200% of the per diem limits is allowed. The traveler must select the most economical among three hotels within reasonable distance from the event.
- If travel is for the purpose of assisting an agency/municipality in a federal, state or local emergency incident and there is no alternative lodging, reimbursement of actual costs up to 200% of the per diem limits may be allowed.
- An itemized original lodging receipt (listing all expenses such as meals, parking fees, phone calls, services charged to the room) must be provided for reimbursement to be made in all instances.
- If two City authorized travelers choose to share a room, the cost of a double occupancy room cannot exceed 300 percent of the federal per diem rate for the destination. The traveler who paid the bill should claim the total paid for the room on their PES and note the name of the other traveler. The other traveler should also note the name of the traveler that their shared lodging with on their PES.

B. Meals and Incidental Expenses (M&IE)

Travelers may claim reimbursement for up to three meals per day. M&IE will be reimbursed at the applicable federal per diem rate for the destination with certain exceptions.

The applicable federal per diem rates are as follow:

- First day of the trip, use the per diem rate for the destination city.
- Last day of the trip, use the per diem rate for the last location where the traveler stayed overnight.
- The first and last day of the trip are considered travel days and will be reimbursed at a prorated amount of 75% of the applicable federal per diem amount for M&IE.
- If traveler is in more than one city/location per day, use the per diem for the city/location in which the traveler spends the night.

The per diem rates for M&IE include gratuities for restaurant service, as well as fees and tips to porters, baggage carriers, hotel staff and staff on ships. Per IRS Bulletin 2013-44, transportation between places of lodging and places where meals are taken are no longer included in the definition of incidental expenses, and may be authorized by the Department Head for reimbursement up to \$5 per day.

○ *M&IE Reimbursement Limits - Travel with Overnight Lodging*

M&IE Reimbursement Method for Travel with <u>Overnight Lodging</u>			
Methodology	Receipts Required	Reimbursement Cap at Destination	Prorated Reimbursement Cap for Travel Day/Conference Provided Meal/"50-mile" Rule Exceptions
Federal Per Diem	No	Reimburse at federal per diem amount for destination	75% proration of federal per diem amount
(1) Hotel complimentary breakfasts do not constitute a meal.			
(2) Exceptions to proration for travel days may be granted for full days spent at destination or in transit. Exceptions to proration for conference-provided meals may be granted if conference cannot accommodate medical or religious restrictions.			

Additionally, the meal allowance will not be provided when meals are provided by the host throughout the day or included in the registration fee. Certain exceptions apply such as in cases where the City Traveler is unable to consume the furnished meals due to medical requirements or religious beliefs.

A traveler who stayed with a friend or family member overnight can be reimbursed for meals if traveler provides a signed statement as proof of overnight stay. Meal reimbursement will be subject to IRS taxable income reporting requirements without the signed statement.

○ *M&IE Reimbursement Limits - One-Day Travel (Travel without Overnight Lodging)*

Meal reimbursements for travel not involving an overnight stay must be reported as taxable income in accordance with IRS regulations. The Harbor Department is required to report one-day meal reimbursements to the Controller at the end of the calendar year for W-2 adjustment in the payroll system.

The following guidelines apply to one-day meal reimbursements:

- Travel destination must meet the "50-mile" rule.
- Reimbursement cannot exceed 75 percent of the federal per diem for the destination.

- No meal reimbursement is allowed when the host provides meals at the event throughout the day.
- Receipts are required for any single meal exceeding \$25.
- Traveler must attach a signed "One-Day Travel Meals Reimbursement Taxable Income Acknowledgement" form to the PES.

Section 9 – Other Travel Expenses

Expenses other than per-diem and transportation that are necessary for the conduct of official City business, with receipts, are allowable and may be reimbursed separately from M&IE limits. Below are guidelines for certain types of expenses.

- **Airline Checked-In Baggage Fee:** Airline fee for the first checked-in baggage is reimbursable.
- **Airport Parking:** Airport parking fees are reimbursable up to 125% of the lowest rates for the following airport parking lots:
 - o Burbank Airport – Economy Lot C
 - o John Wayne Airport – Main Street Lot
 - o Long Beach Airport – Lot B
 - o LA International Airport – Economy Parking (6100 W. 94th Street)
 - o Ontario International Airport – Lot 3, 5, and 6

For airports not listed above, traveler should use the lowest airport parking lot rate for that airport.

In addition, travelers should consider alternatives to airport parking, such as public transportation, shuttles, rideshare services, other options to get to and from the airport. Travelers should compare the total cost of airport parking to the cost of these alternatives and select the most economic choice.

- **Hosting While Traveling:** Food and beverage expenses for persons other than the traveler must be certified by the Department Head as expenditures for a public purpose and necessary for official City business. The provisions for lodging and M&IE reimbursements will apply to persons hosted by City officials or employees. Alcoholic drinks are NOT reimbursable expenses. It is the responsibility of City employees to comply with Personnel Department policy regarding consumption of alcoholic beverages while on duty. The name(s) and organization(s) of the person(s) hosted and the nature of the City business discussed must be specified in the travel authority and other travel expense documentation.
- **Registration, Seminar or Meeting Fees:** Reimbursement of registration, seminar or meeting fees where required is allowed.

- **Ground Transportation:** Transportation expenses to and from the airport or hotel are allowable with receipts or supporting documentation. Travelers should use free or courtesy shuttle services offered by airports and hotels whenever available.
- **Gratuities:** Gratuities are allowable expenses, where reasonable and customary. Tips to waiters (up to 20 percent of the restaurant bill exclusive of taxes), and drivers (up to 20 percent of the fare) are considered customary. Service charges required by service providers (e.g., gratuity added to restaurant bill for large parties) are fully reimbursable. **However, gratuities to porters, bell hops and housekeeping are included in the IRS definition of "incidental expenses" and therefore not reimbursed separately from the M&IE limit.**
- **Laundry Service:** Expenses for laundry service are allowable if the duration of the trip is four consecutive nights or longer.

Per LAAC 4.242.30, other expenses not specified in these guidelines or in the LAAC deemed necessary in the conduct of City business are allowable provided the reasons for such expenses have been reviewed and certified by the Department Head as reasonable, proper, and incurred in pursuit of City business.

Section 10 – Special Circumstances Requiring Exceptions to Standard Guidelines

There may be special circumstances that require exceptions to the standard guidelines set forth in this policy. In such instances, exceptions may be allowed when the Department Head finds the expenses to be necessary in the conduct of official City business and reasonable. Allowed exceptions must be noted as "exceptions" on the travel authority and/or PES documents, along with the justification for the exception.

A. Airline Travel

- Airfare other than for Economy class may be allowed under any of the following conditions:
 - When necessary to accommodate a medical necessity or other special need. In such instance, a current written certification of the necessity and a recommended suitable class of transportation from a competent medical authority must be submitted. Written certification shall be valid only for the requested trip. If condition is chronic and exception is needed long-term, written certification shall include the duration of need for exception. Written certification exception shall not exceed one (1) year.
 - When exceptional security circumstances require accommodations other than Economy class.
 - Where the origin and/or destination are outside of North America (excluding travel within the same continent).

- When no Economy class seats are available on any airline that is scheduled to leave within 24 hours of the proposed departure time or scheduled to arrive within 24 hours of the proposed arrival time.
- Use of other than Economy class accommodations result in overall cost savings.

B. Alternate Modes of Transportation

- Reimbursements for rental cars other than mid-size or smaller may be allowed under any of the following conditions:
 - Insufficient car space for the number of City employees traveling together
 - Insufficient car space to accommodate work-related equipment
 - Terrain of destination requires a certain type of vehicle
 - Medical necessity certified by a competent medical authority
 - No extra cost for upgrade

C. Lodging/Hotel

- On rare occasions, the actual lodging costs may be higher than the limits outlined in this policy. Upon demonstration that the higher lodging cost is justified, Department Heads may use their discretion and judgment to approve reimbursements of actual lodging costs that exceed the limits established in this policy. A detailed justification or explanation why the extra lodging cost was necessary to carry out official City business must be fully documented in the "Excess Lodging Rate Request " form. The form must be signed by the Department Head and, together with supporting documentation, attached to the travel request package. These exceptions must be tracked by the Travel Administrator.

The cap of 200 percent is not meant to condone selection of a more expensive room or hotel when a less costly practical option is available. The cap is meant to mitigate the Traveler from having to personally cover ordinary, reasonable and/or necessary costs as a result of travel for City business.

D. Other Travel Expenses

- Fees for additional checked-in baggage may be allowed for special equipment or extended travel.
- Airport parking rate that exceeds the applicable airport lot rate by more than 25% may be allowed with justification approved by the Department Head.
- Whenever possible, travelers with special meal requirements should contact conference host to obtain reasonable meal accommodation. Full reimbursement for meals may be allowed if the traveler is unable to consume conference-furnished meals due to medical reasons or religious beliefs.

- Laundry service when travel is for less than four consecutive nights may be authorized when traveling conditions or special circumstances dictate.
- Department Heads may authorize reimbursement of internet connection service if free internet connection service is not available to conduct City business.

E. Lodging and Meals and Incidental Expenses for travel under 50 miles

- Reimbursements for lodging and M&IE may be authorized by the Department Head when the travel destination does not meet the "50-mile" rule under one of the following conditions:
 - Conference/meeting starts before 8 a.m. or ends after 6 p.m.
 - Traveler cannot drive to the destination and public transportation is not available to arrive in time for or leave after conference/meeting.
 - Traveler is hosting the event (e.g., set up and pick up) and needs to arrive before 8 a.m. or cannot leave until after 6 p.m.

Section 11 – Interrupted and Indirect Travel

Where there is an interruption or deviation from the direct travel route, due to non-City related or unjustifiable reasons, the allowable travel expenses will not exceed those that would have been incurred for uninterrupted travel utilizing the usual route. A traveler who combines personal travel with City travel must identify and pay for the personal segment of the trip. The traveler must provide sufficient supporting documentation to prove the City-related portion of the travel costs to receive travel expense reimbursements. For example, the traveler must provide a quote from the air travel service provider showing the cost of the roundtrip ticket for the most economical and direct travel to/from the business destination for the dates of official City business. The quote will be used for comparison and reimbursement purposes. Traveler must pay for the personal portion of the airfare, hotel, car rental and parking expenses, and only the portion related to City travel will be reimbursed.

A City employee who becomes sick or injured during travel should immediately seek competent medical attention. The traveler should notify his/her Department Personnel Officer regarding the injury at the earliest possible time.

Section 12 – Personal Expense Statement (PES) and Required Documentation

At the conclusion of the travel, the traveler must complete and submit Form Gen. 16, Personal Expense Statement (PES) for review and approval. The traveler must itemize all expenses claimed for reimbursement, note all exceptions to the Harbor Department Travel Policy, and attach receipts for lodging, transportation, and any other necessary supporting documentation required by this policy to substantiate the expenses. In

addition, LAAC 4.242.7 requires receipts for any single item of expenditure in excess of \$25. For grant-funded and special-funded travel, it is the traveler's responsibility to comply with the grant/special fund requirements on receipts or supporting documentation. In addition, per LAAC 4.242.75, travelers (other than elected officials or staff traveling on behalf of elected officials) must attach a report that summarizes the nature and purpose of the travel, the significant information gained, and/or benefits accruing to the City.

The Department Head or Authorized Approver shall review the PES and supporting documentation, resolve any issues to ensure compliance with all policies, and certify all expenses were incurred in pursuit of City business. Falsification of such certification shall be ground for disciplinary action and any available legal sanctions.

Divisions must finalize the PES with supporting documentation and process in ERP Fusion within 20 days of the trip conclusion. Divisions should maintain original receipts and documents for at least five years for record-keeping and audit purposes.

Submitted PES and supporting documentation become part of the City official travel records and the official property of the City. Travelers are advised to black out/redact any personal information contained in any submitted documents.

Section 13 – Foreign Currency

The PES must indicate values in US dollars (USD). Travel expenses in foreign currency must be converted to USD based on exchange rates effective on the date of the original receipt. The following are acceptable supporting documentation for the foreign currency conversion and must be attached to the PES:

- Credit card statement showing conversion of foreign-denominated expenses to USD
- Foreign exchange receipts from money exchanges or banks showing foreign conversion rates
- Verifiable foreign exchange rates from the internet

Section 14 – Travel Advances

When approving travel authorities, Department Heads may authorize travel advances to City employees only. Travel advances must comply with the following guidelines:

- Travel advances can be issued for up to 90% of the traveler's total estimated out-of-pocket travel expenses, which includes lodging, meals and incidentals, and registration, seminar, and meeting fees paid by the traveler. Advances for airfare are not allowed as airline tickets can be purchased through the City's authorized business travel service provider. No travel advance check will be issued for any amount under \$500.
- Travel advances must be approved by the Authorized Approver as part of the travel request package. If a traveler decides that they need a travel advance after the travel authority has already been approved, Divisions may modify an existing travel authority to include the travel advance request.
- The travel authority must include the following information for a travel advance to be approved:
 - Travel authority number
 - Name of traveler
 - Travel period
 - Destination
 - Purpose of the trip and nature of the City business to be conducted
 - Cash advance request, with written justification and pre-approval by Department Head
 - Certification that the traveler has no outstanding travel advance
- Payment requests for travel advances must be submitted at least twenty (20) days, prior to travel, but not earlier than thirty (30) days, prior to travel.
- No travel advance will be provided to an employee with an outstanding travel advance.
- Travelers must return any unused travel advances by writing a check or money order payable to the City of Los Angeles. Travelers should attach a copy of the cash receipt from the Payroll Office (or other receipt verification) to the completed PES.
- Travel advances are considered delinquent if not settled within 30 days after the conclusion of the trip through the submission of a completed PES.

Section 15 - Travel Reimbursements Reported As Taxable Income

The Harbor Department must monitor and track the following types of reimbursements and report them to the Controller's Office on an annual basis. These reimbursements will be reported to the IRS as taxable income on the traveler's IRS Form W-2:

- Delinquent travel advances that have not been returned to the City within 120 calendar days after the last day of travel. For non-City employees, delinquent travel advances over 120 days will be reported through IRS Form 1099-MISC
- Any unsubstantiated or unallowable travel expenses that were reimbursed to the employee, including expenses that exceeded the limits in this policy

- One-Day Travel Meal Reimbursements
- Expenses for travel assignments expected to last in excess of one year, or does in fact exceed one year (per IRS Publication 5137)

Upon review, the Controller's Office may determine that some one-day travel meal reimbursements qualify for the de minimis exclusion for occasional meal reimbursements and opt not to report the reimbursement as taxable income.