



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: May 15, 2024

To: Honorable Mayor and City Council Members

From: Charles A. Montoya, City Manager
Barbara Whitehorn, Director of Finance & Management Services

Department: Finance & Management Services

Subject: **Request to Update the Existing Travel Authority and Expense Policy (All Wards)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2024-105 revising the Travel Authority and Expense Policy as recommended by the City Manager.

Executive Summary

The City Manager recommends revisions to the Travel Authority and Expense Policy to improve internal efficiency. Administrative policies are regularly reviewed and updated to ensure that they remain relevant, efficient and continue to appropriately address internal control.

Background

In February 2021, the Mayor and Council provided conceptual support for the development of a comprehensive administrative policy manual. Starting in March 2021, staff began crafting the Travel Policy. On July 21, 2021, staff brought a Travel Authority and Expense Policy to Mayor and City Council for review, discussion, and adoption, and Resolution No. 2021-164 was adopted.

The Travel Authority and Expense Policy was brought before the Council again on August 18, 2021, for revision and further clarification. Resolution No. 2021-212 amending the Travel Authority and Expense Policy was adopted. The Revised Policy is attached. (Attachment 4)

Discussion

The Travel Authority and Expense Policy sets forth the guidelines governing

reimbursement for travel expenses and establishes certain procedures concerning travel authorization, documentation, and accounting for all departments, employees, and Elected Officials of the City of San Bernardino.

It is important for the City to implement policies and procedures that establish the controls needed to ensure City employees and elected and appointed officials are able to operate under a clear set of guidelines that align with the laws and regulations that govern the City. The proposed changes aim to clarify the existing Policy and make the process of authorizing travel more efficient.

Clarification and Language

Proposed revisions to the Policy include clarifications, as well as changes that are intended to improve the efficiency of the current approval process.

The level of approval for in-State versus out-of-State travel has been modified to make the travel approval levels more efficient, and to ensure accountability at the Department level for travel expenditures.

Definitions (Page 2)

Revisions in the definitions section in the Policy are intended to clarify the definition of “out-of-town” travel, which was found to be confusing upon implementation. Other definitions were also made more specific, to ensure compliance with IRS Rules. Previously only “Local” and “Out-of-Town” were specifically defined. Changes to the Policy are in red.

- (c) *Local Travel* - travel within a radius of seventy-five (75) miles from the employee’s regular work site **within the State of California**, one way, for a one-day session or multiple day sessions.
- (d) *Out-of-Town Travel* – any travel over seventy-five (75) miles from employee’s regular work site **within the State of California, including out-of-state** that requires subsistence or actual living expenses. **Travel out of the country must be approved by the City Manager’s Office.**
- (e) *Out-of-State Travel* - any travel outside of the state of California within the **continental United States.**
- (f) *Out-of-Country Travel* - any travel outside of the **continental United States.**

Payments to Vendors, Cash in Advance and Employee Reimbursement (Page 15 [clean copy] Page 16 [redline])

As the Policy was implemented, a conflict in the language in this section was found. Cash advances for travel are allowed, with the exception of mileage for personal vehicles, which is based on actual mileage and is therefore reimbursable only.

Language in this section stated, “payment of the fixed GSA Per Diem Rates shall be paid after the event or activity has occurred and shall not be paid to City Employees in advance;” however, on page 12, the Policy specifically discusses meals (Per Diem) paid with a Travel Advance.

Following is a correction to page 15 of the Policy that will remove the conflicting language disallowing the Per Diem advance.

Current language:

c. Per Diem - For City Employees or Elected Officials electing per diem payment for meal expenses, the City shall reimburse at the fixed GSA Per Diem Rates on a meal-by-meal basis based upon the locality of travel. ... City Employees or Elected Officials electing per diem reimbursement **shall not** incur meal expenses on City issued credit cards or seek actual cost reimbursement for meal expenses covered by per diem reimbursement. *Payment of the fixed GSA Per Diem Rates shall be made after the event or activity has occurred and shall not be paid to City Employees in advance.*

Change to correct (removal of conflicting language):

c. Per Diem - For City Employees or Elected Officials electing per diem payment for meal expenses, the City shall reimburse at the fixed GSA Per Diem Rates on a meal-by-meal basis based upon the locality of travel. ... City Employees or Elected Officials electing per diem reimbursement **shall not** incur meal expenses on City issued credit cards or seek actual cost reimbursement for meal expenses covered by per diem reimbursement. ~~Payment of the fixed GSA Per Diem Rates shall be made after the event or activity has occurred and shall not be paid to City Employees in advance.~~

Procedure (Page 16)

New language is proposed to clarify the levels of authority for each newly defined travel-distance (see the changes proposed to Definitions).

- i. ~~Local Travel (within a radius of seventy-five [75] miles of the employee’s regular work site): approval from the employee’s Department Head and the Director of Finance & Management Services.~~
- ii. ~~Out-of-Town Travel (travel over seventy-five [75] miles from employee’s regular work site within the State of California): approval from the employee’s Department Head and the Director of Finance & Management Services.~~
- iii. ~~Out-of-State Travel: approval from employee’s Department Head, the Director of Finance & Management Services, and the City Manager.~~

- iv. **Out-of-Country: approval from employee's Department Head, the Director of Finance & Management Services the City Manager and City Council.**
- v. **Any Travel for Elected Officials, In or Out-of-State, regardless of distance, requires approval from City Council and the Director of Finance & Management Services.**

The changes to the procedure clarify the following:

- Travel inside California requires Department Head and Director of Finance & Management Services approval;
- Travel Outside California requires Department Head and Director of Finance & Management Services, and the City Manager approval; and
- Travel for Elected Officials requires City Council approval.

The changes to the Policy, which encompass all of those outlined in this Staff Report as well as changing "Director of Finance" to "Director of Finance and Management Services," throughout the document and other minor, non-substantive changes can be reviewed in their entirety in the attached redline copy of the Policy. (Attachment 2)

A clean version of the Proposed Revised Travel Authority and Expense Policy is also attached for the Mayor and City Council's review. (Attachment 3)

2021-2025 Strategic Targets and Goals

This Policy update is consistent with Key Goal 1a. Improved Operational & Financial Capacity: - establish clear policy direction and predictable organization structures; and d. create a framework for spending decisions. These revisions will continue to support the goal of providing clear policy direction, improve efficiency, and create a more effective and easier-to-follow structure for spending decisions.

Fiscal Impact

There is no fiscal impact associated with the recommended action of this item.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2024-105 revising the Travel Authority and Expense Policy as recommended by the City Manager.

Attachments

Attachment 1 Resolution 2024-105

Attachment 2 Proposed Travel Authority and Expense Policy – Redlined version

Attachment 3 Proposed Travel Authority and Expense Policy – Clean version

Attachment 4 Adopted Travel Authority and Expense Policy – Resolution No.

2021-212

Ward:

All Wards

Synopsis of Previous Council Actions:

August 18, 2021 Mayor and City Council adopted Resolution 2021-212 amending the Travel Authority and Expense Policy.

July 21, 2021 Mayor and City Council adopted Resolution No. 2024-164 approving the Travel Authority and Expense Policy.