

# LIVINGSTON COUNTY COUNTY EMPLOYEE BUSINESS EXPENSE POLICY

RESOLUTION #2018-04-081	LIVINGSTON COUNTY, MICHIGAN	APPROVED: 4/23/2018
RESOLUTION #2016-08-131		APPROVED: 8/8/2016
RESOLUTION #2015-04-100		APPROVED: 4/27/2015
RESOLUTION #2011-12-344		APPROVED: 12/19/2011

## PURPOSE

The purpose of this policy is to establish a clear and uniform understanding of the procedure to reimburse Livingston County employees and Elected Officials for reasonable and customary business expenses while on official County business.

## APPLICATION OF POLICY

The Employee Business Expense Policy applies to all Livingston County employees and Elected Officials who incur expenses while on authorized County business.

In some isolated cases, a business expense claim might be unique and on a case-by-case basis may need to be reviewed and a determination made by County Administration; however, this primarily applies to expenses not discussed in this policy.

## AUTHORIZATION AND RESPONSIBILITY

1. The Livingston County Board of Commissioners authorizes the Business Expense Reimbursement Policy.
2. County Administration is responsible for administration of this policy.
3. For an employee traveling on business, it is the traveler's is responsible for understanding and complying with this policy.
4. The traveler's supervisor is responsible for reviewing the expense claim and the supporting documentation for compliance of the policy and certify so by approving the employee's request through electronic workflow in the ERP system.

Failure to comply with this policy could delay payment or the claim being adjusted or rejected by the Board of Commissioners.

## APPROVAL PROCESS

1. All reimbursement for business expenses must be submitted through the Employee Self Service (ESS) portal within 60 days of expense. The request shall be approved by the employee's immediate Supervisor and/or Department Director/Elected Official.
2. The employee's immediate Supervisor shall review the ESS submission for verification of allowable expenses and accuracy and approve the claim via electronic workflow in Munis.

## **PROFESSIONAL DEVELOPMENT**

Professional development, as defined in this policy, is a gathering of professionals sharing a common position, expertise and/or authority who meet to discuss current issues within a specific discipline/field and who attend sessions designed to update the participant's knowledge in the various facets of a particular discipline/field. Conferences or training attended for professional development shall be job-related and beneficial to the County.

The County recognizes the value in maintaining employees who are well trained in the particular knowledge, skills, and abilities needed to use the equipment, techniques and procedures to accomplish their assigned tasks. It is understood that professional development sessions are generally of a one (1) or two (2) day duration, are held within the State of Michigan, and are designed to teach a specific skill, technique and/or application. Professional development courses must meet one of the following criteria: be specialized, provide the participant with a certificate of completion, offer continuing professional education (CPE) credits, or be geared toward a job-related professional level certification which shall be presented to the Department Director or designated person within the employee's department to verify successful completion of the training.

It is the responsibility of each Elected Official and Department Director to review, authorize, and manage employee professional development opportunities they deem beneficial within their approved annual allocation. Out of state professional development is only allowed for specialized courses not available in state. Approval to attend professional development opportunities that were not planned for in the budget process are within the department director's discretion contingent on sufficient funding being available in the appropriate travel line item. The Courts will be authorized to transfer between Court authority org and object codes within a fund provided it results in a net zero effect on the Court authority's bottom line budget.

Employees shall provide the Department Director an estimated total cost of the trip and get written approval prior to attending any overnight conferences or meetings. It is common practice that employees pay for certain conference expenses such as transportation, registration, and lodging with the County Pcard/AP check and then follow up by requesting reimbursement for remaining expense through ESS. The total cost of the trip includes both expenses paid by the County Pcard and reimbursements made to the employee and include costs such as registration, transportation, lodging, meals, and other miscellaneous costs (parking, shuttle, baggage fees). A Conference Cost Form is available on the County website and can be used as a guide to ensure all costs are being taken into consideration when seeking approval from the Department Director, or an email with the estimated cost and the Department Directors approval will suffice. A written approval from the Department Director must be included as supporting documentation for an overnight trip.

County Administration will prepare an out-of-state travel report to present to the Board of Commissioners at the first Finance Committee meeting in April of each year. The report will list each person who traveled outside of the state during the preceding fiscal year. The list will include the name of the employee, department, destination, reason for travel, dates of travel, mode of transportation, funding source, and the total cost to the County.

## **ALLOWABLE EXPENDITURES**

### **ACCOMMODATIONS**

Reimbursement may be made for actual expenditures for overnight accommodations while on official business, subject to the following restrictions and limitations:

If the destination is more than 100 miles from the normal work location, and if the individual must be at the destination at or before 9:00 a.m., an employee may elect to stay overnight the preceding calendar day.

If official business terminates after 5:00 p.m. EST and the location is more than 100 miles from the normal work location, the official or employee may remain overnight and commence travel the following morning.

If the temporary work location is more than 50 miles from the normal work location and the duration is more than one day, the night between such workdays may be spent in the immediate vicinity and reimbursement claimed for the cost of lodging.

Reimbursement shall be limited to the cost of a single room at prevailing rates for accommodations normally used in business.

If a double room is shared with a County Official or employee, each may claim reimbursement for one-half ( $\frac{1}{2}$ ) the rate.

If a double room is shared with a non-employee or an employee not of the specific department and not attending the conference/training, reimbursement may be claimed for the amount equal to the rate for a single occupancy accommodation.

### **MEALS**

The County will reimburse an employee for meals while on approved business that is conducted outside of the county. Itemized receipts are required. Reimbursements must be for the County employee only and incurred expenses should be reasonable. Alcoholic beverages are not an allowable expense. The amount shall be based upon the actual amount spent up to a maximum of \$50 per day. If the site is in a federally recognized high cost area, per IRS Publication 1542, the amounts may exceed the \$50/day maximum but are still expected to be reasonable. Actual reimbursements deemed to be excessive may be brought to the Board of Commissioner's attention and require Department Director to justify his/her authorization of submitted expense.

For those conference or training sessions which do not require overnight accommodations, the following maximums apply:

<b>BREAKFAST</b>	<b>.....</b>	<b>\$10.00</b>
<b>LUNCH</b>	<b>.....</b>	<b>\$15.00</b>
<b>DINNER</b>	<b>.....</b>	<b>\$25.00</b>

For those conferences or training sessions that require overnight accommodations, the above maximums apply. However, under certain circumstances and with prior Department Directors approval, reimbursement for out of state travel may be based upon the actual amount spent for each meal up to a combined maximum of \$50 per day, or actuals, if deemed a high cost area.

## FOOD SERVICES/TIPS

The maximum allowable tip for meals is up to 15% of the actual meal cost, excluding alcoholic beverages. Meal tips are allowed only with sit-down meals and the amount must be indicated on the actual receipt. Tips on take-out or at fast food restaurants are not reimbursable. Total cost of the meal **and tip** must be within the meal guidelines listed above.

If meals are included with registration, corresponding meals are **not** reimbursable.

Actual itemized receipts must be uploaded with the travel reimbursement submission through ESS within sixty (60) days of the employee's return.

It is the employee/Elected Official's responsibility to obtain and submit the correct receipts. If a receipt is lost, the employee/Elected Official must seek to obtain a duplicate receipt. If, in the opinion of the County, **all measures to obtain a copy have been exhausted**, the employee/Elected Official will be required to submit a Receipt Affidavit to the County. Excessive use of this form by the same employee could result in future claims for that employee being denied.

## TRANSPORTATION

The expense of traveling by public carrier (rail, airplane, boat) will be allowed on the basis of actual cost. Department Directors traveling shall have approval of County Administrator prior to booking/purchase of tickets. All travelers are expected to travel by the **most economical mode** of transportation. Transportation expense in excess of the cost of coach-class air fare will not be allowed unless justification therefore is given and the approval of the Administrator and/or the Administrator's designee is obtained before leaving on the proposed trip. The cost of one bag of luggage on the public carrier will be reimbursed.

In the event that an employee uses a personal vehicle for travel in lieu of air transportation, business expense reimbursement shall be at the prevailing Board approved County mileage rate or union contract rate and shall not exceed the rate for commercial coach air travel. Out-of-state travel using a County vehicle will be dependent on availability and must have prior written approval by the County Administrator before Car Pool can release the vehicle. This approval must accompany the reimbursement request.

When an employee uses a personal vehicle for day to day business travel to/from business locations, mileage expense reimbursement shall be at the prevailing Board approved County mileage or union contract mileage rate.

If the employee is directed to return to his/her work site after conducting official County business, the employee shall be paid mileage for the return trip back to the work site. Work site shall be defined as the County Department office which is considered the employee's main assignment.

If an employee is permitted to begin business travel from his/her residence, the amount of mileage claimed should be the mileage driven in excess of that which is ordinarily incurred during the daily commute to ones' main work site.

**Example:** Employee attends a meeting in Ann Arbor which is 30 miles from home. Drives to work after the meeting, which is another 30 miles. Normal drive to work is 20 miles. Employee would claim 40 miles, not actual extra miles driven.

$(30 + 30 = 60 - 20 = 40 \text{ miles})$

Mileage for employees and elected officials, excluding Board of Commissioners (See MCL 46.52 and 46.62), shall **not** be paid for regular commuting miles from home to work or work to home. Employees who are required to travel on County business are only to request mileage for travel other than what would be considered their normal commute from home. Mileage to County Commissioners must be included on their W-2 as taxable income.

An employee who is “called back” during off duty hours to work site shall not be paid for mileage traveled except in case of emergency as determined by the department director.

## MISCELLANEOUS

Miscellaneous expenses incidental to official County travel shall be held to the minimum amount required for essential and efficient conduct of County business. The department head or his/her authorized representative approving the travel will be held responsible for their certification for all items of expense as being necessary, reasonable and correct.

The following miscellaneous items are reimbursable with appropriate receipts:

1. Registration Fees: Enrollment or registration fees for conventions and meetings, associations or organizations are allowable for individuals attending as official representatives of the County. Receipts must be uploaded through ESS. **Registration or Conference literature must be attached for any overnight conference.** If meals are included in the registration fee, corresponding meals are not reimbursable.
2. Parking Fees: Reimbursement for parking fees is allowable with proper receipts.
3. Taxi Cab: Necessary taxi cab fares will be allowed with receipts. Tips may not exceed 15%.
4. Car Rental: Allowable only if: (a) **approved in advance** of travel by the County Administrator or the County Administrator’s designee, (b) it is more advantageous for County business and (3) more economical than some other mode of transportation. Explanation and receipt are required.
5. Personal Expenses: The County will not reimburse for the following: fees and tips for valets, flight insurance, housekeeping/maid service, alcoholic beverages, cleaning and pressing clothing, renting movies, tobacco products, gift cards, snacks and similar personal expenses.
6. Baggage Fees: Travelers will be reimbursed for one bag with appropriate receipts.
7. Toll Bridge, Toll Road, and Ferry Boat Expenses: Toll bridge, toll road and ferry boat expenses are allowed with receipts.
8. Unforeseen expenses incurred due to inclement weather will be evaluated on a case by case basis.
9. Miscellaneous business expenses that are unrelated to travel (boot reimbursement, certification fees, job related materials, etc.) may also be claimed by an employee for reimbursement. These type of expenses must be job related should have the Supervisor’s approval prior to the employee incurring the cost, whenever possible.

Receipts which fail to show the details of an expenditure including the name of the vendor, the date of purchase, what was purchased and the associated price of such item, the total amount, and the sales tax, and proof of payment, must be accompanied by an “Receipt Affidavit” form (Appendix A) that is signed by both the employee and the Department Director. Itemized receipts are always required. Use of this form should be used sparingly and the employee should be reminded of this by the Director. Excessive use of this form by the same employee could result in future non-itemized claims for that employee being denied.

## **EXPENSE REIMBURSEMENT CLAIMS THROUGH EMPLOYEE SELF-SERVE (ESS)**

Reimbursement requests shall be submitted through the Employee Self-Serve (ESS) Program in the County Munis ERP system. Each reimbursement requested shall include the what, when, where, and why as follows:

- Purpose of travel (WHY)
- Travel dates (WHEN)
- Starting address and destination address, including city, state (WHERE)
  - Documentation from an online mapping program showing the beginning and ending destination points should be included as back up to accompany mileage reimbursement requests in ESS.
- Name of the event, conference, training or meeting attended (WHAT)

Reimbursements must be approved through electronic workflow in the MUNIS ERP system. Itemized receipts for each reimbursement must be scanned and submitted with the expense claim via ESS.

## **PAYMENT OF BUSINESS EXPENSE REIMBURSEMENTS**

Business expense reimbursements will be processed bi-weekly and paid via direct deposit in the employee's paycheck. Reasonable business expenses incurred by an employee in the course of County business are County costs that should be reimbursed. Reimbursements are not considered taxable income to the employee if the employee substantiates his/her business purpose of the expense. The Internal Revenue Service requires all business meals and entertainment expenses to include:

- Original receipts
- Proof of payment
- Supportive documentation, e.g., brochure or invitation
- Geographic location
- Statement of business purpose

Request for variation and/or exception to this Policy shall require approval from the Livingston County Board of Commissioners prior to incurring expenses. It's the prudent responsibility of each Elected Official and Department Director to authorize only such conferences and training as is funded in the specific Department annual budget. If any provision of this Policy conflicts with a union contract, the union contract shall prevail for that union employee.

The Livingston County Board of Commissioners may amend, modify, or delete all or any portion of this Policy at any time. This Policy replaces all other existing policies on this matter.

AMENDED	#2018-04-081	4/23/18
AMENDED	#2016-08-131	8/8/16
AMENDED	#2015-04-100	4/27/15
ADOPTED	#2011-12-344	12/19/11



**APPENDIX A**  
**LIVINGSTON COUNTY, MICHIGAN**  
**RECEIPT AFFIDAVIT**

On \_\_\_\_\_ I misplaced / lost / didn't receive an itemized receipt  
(Date of Receipt)

For \_\_\_\_\_  
(Meal: Breakfast, Lunch, or Dinner)

From \_\_\_\_\_  
(Name and location of eatery)

Amount \_\_\_\_\_  
(Enter amount including tip, if applicable)

I certify to the following (please initial each section):

\_\_\_\_\_ This represents a legitimate business expense incurred while traveling on behalf of Livingston County

\_\_\_\_\_ The expense incurred was solely for me, or, if paying on behalf of another employee I will specify the employee **by name here**:  
\_\_\_\_\_

\_\_\_\_\_ No alcoholic beverages, tobacco products, or gift cards were purchased

\_\_\_\_\_ I certify that I have not previously been reimbursed for this expense

\_\_\_\_\_  
(Print Employee Name)

\_\_\_\_\_  
(Signature of Employee)

\_\_\_\_\_  
(Department)

\_\_\_\_\_  
(Director/ Deputy Director Signature)

\* As Director, I acknowledge that the employee, while on authorized business, did not follow County policy. I will ensure all my employees receive a copy of the Business Expense Reimbursement Policy prior to travel.

Link to the Business Expense Reimbursement Policy can be found on the County website.

Please follow this link: <https://www.livgov.com/administration/Pages/policies.aspx>

11/2017

A separate affidavit must be completed for each lost/non-itemized receipt

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**Resolution to Amend the County Employee Business Expense Policy for Livingston County**

**WHEREAS,** Livingston County adopted a County Business Expense Reimbursement Policy in 2011 with revisions approved in April 2014 and August 2016; and

**WHEREAS,** the Employee Self Service (ESS) module for Employee Expense Reimbursement has been implemented and revisions to the Employee Business Expense Policy are needed to incorporate the use of ESS; and

**WHEREAS,** after reviewing the policy it was determined that there were other areas that needed to be updated and clarified; and

**WHEREAS,** effective upon approval of this resolution the following is a list of the major changes or additions will be incorporated into the policy:

- The policy notes that the employee traveling is responsible for the understanding and compliance of the policy prior to travel
- Employees will utilize the ESS Employee Expense module in Munis for reimbursements
- Budget adjustments for travel will follow the Budget Transfer Policy
- Tips on purchases of meals is limited to 15% and is allowable for sit-down meals. Tips on carry-out meals or at “fast-food” restaurants are not reimbursable
- Registration or conference literature must be attached for overnight conferences
- Overnight travel requires prior written approval of the total estimated cost of trip to the conference by the Department Director
- The use of a Receipt Affidavit is allowed if the employee has exhausted all measures to obtain a missing receipt or a missing itemized receipt
- Out of State travel using a County Car Pool vehicle requires approval by the County Administrator prior to Car Pool releasing the vehicle
- Tobacco products and gifts cards are added to the list of personal expense not reimbursable
- Miscellaneous business expenses (boot purchase, certification fees, job related materials) may be claimed for reimbursement with the Supervisor’s approval prior to purchase
- The IRS requirements of what must be included for each reimbursement request to be considered non-taxable has been added. Failure to provide this information could cause the reimbursement to be considered as other paid compensation and would be subject to payroll taxes
- Reimbursements will be paid via direct deposit in the employee’s paycheck

**WHEREAS,** County Administration is responsible for the administration of this policy and Elected Officials and/or Department Directors are responsible for ensuring the requests for county business expense reimbursements for their employees were incurred while on official County business.

**THEREFORE BE IT RESOLVED** that the Livingston County Board of Commissioners hereby adopts the County Employee Business Expense Policy, as amended and attached, to be effective with the approval of this resolution.

# # #

**MOVED:** Commissioner Green

**SECONDED:** Commissioner Helzerman

**CARRIED:** 8-0-1; Roll Call Vote: (8) Green, Domas, Helzerman, Parker, Griffith, Dolan, Childs and Lawrence; No: (0); Absent: (1) Bezotte





## Estimated Conference Costs Form

Out of State and In-State Travel

Employee Name: \_\_\_\_\_ Department Name: \_\_\_\_\_

Dates of Travel: Departure Date: \_\_\_\_\_ Return Date: \_\_\_\_\_

	Qty.	Daily Amount (With Taxes)	Total	Notes/Description
<b>Registration</b>				
<b>Hotel</b>				
<b>Airfare (Roundtrip)</b>				
<b>Meals</b>				
<b>Ground Transportation</b>				
<b>Miscellaneous</b>				
<b>Total Estimated Cost:</b>				
<b>Funding Source (org/object code):</b>			Org: _____	Object: _____

**Direct Supervisor's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*Department Director signature required for all overnight/out-of-state travel:*

**Department Director's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Example of how to fill out the Estimated Conference Costs Form

	Qty.	Daily Amount (With Taxes)	Total	Notes/Description
<b>Registration</b>			\$325	Tyler Connect Conference - Boston
<b>Hotel</b>	3	\$117	\$351	Including estimated taxes
<b>Airfare (Roundtrip)</b>			\$173	
<b>Meals</b>	4	\$50	\$200	2 days of breakfast and lunch are included in conference fee
<b>Ground Transportation</b>			\$126	Airport parking, mileage, shuttle/taxi from airport and to/from hotel
<b>Miscellaneous</b>	2	\$25	\$50	Baggage fee round trip
<b>Total Estimated Cost:</b>			\$1,225	
<b>Funding Source (org/object code):</b>			Org: 10117200	Object: 816500

Please include the signed form as back up with your **hotel** receipt.