

**CITY OF MONROE
RESOLUTION NO. 2024-003**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, ADOPTING THE “INCURRING EXPENSES WHILE CONDUCTING CITY BUSINESS FINANCE POLICY NO. 2024-003.”

WHEREAS, the City Council understands that the City’s administrative and finance policies need to incorporate the most recent Internal Revenue Service, General Services Administration, and State Auditor's Office guidance; and

WHEREAS, per guidance from the State Auditors’ Office, the City Council is responsible for establishing the rules and regulations for reimbursement of any travel and, by extension, work-related expenses; and

WHEREAS, Resolution No. 2024-002 repealed the City of Monroe’s finance policy titled Attendance, Travel and Meal Reimbursement, Credit Card 2003-017 because it created administrative inefficiencies by concurrently addressing procedures for incurring travel and business related expenses; and

WHEREAS, Resolution No. 2024-002 also adopted the new TRAVEL STATUS POLICY 2024-002; and

WHEREAS, the City Council understands that a policy needs to be adopted that provides procedures for incurring expenses while conducting city business; and

WHEREAS, to eliminate procedural inefficiencies, two separate policies were created titled TRAVEL STATUS POLICY and INCURRING EXPENSES WHILE CONDUCTING CITY BUSINESS; and

WHEREAS, these policies were reviewed by the City Council’s Finance and Human Resources Committee on September 19, 2023, and were sent to the City Council for final review at the December 5, 2023, meeting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adoption of Incurring Expenses While Conducting City Business Policy No. 2024-003. INCURRING EXPENSES WHILE CONDUCTING CITY BUSINESS NO. 2024-003, establishing procedures related to incurring expenses while conducting City business, non-travel related business, meals, and reimbursement for City employees and officials, is hereby adopted in the form and content provided in Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full.

Section 2. Effective Date. This resolution shall take effect immediately upon passage.

ADOPTED by the City Council of the City of Monroe, at its regular meeting thereof, and APPROVED by the Mayor this 20th day of February, 2024.

Resolution No. 2024-003
Approved: 02/20/2024
Effective: 02/20/2024

CITY OF MONROE, WASHINGTON:

ATTEST:


Jodi Wycoff (Feb 22, 2024 09:11 PST)

Jodi Wycoff, City Clerk


Geoffrey Thomas (Feb 21, 2024 18:57 PST)

Geoffrey Thomas, Mayor

APPROVED AS TO FORM:


Zach Lell (Feb 21, 2024 13:12 PST)

J. Zachary Lell, City Attorney

EXHIBIT A

CITY OF MONROE

INCURRING EXPENSES WHILE CONDUCTING CITY BUSINESS

POLICY SUBJECT:

Non-Travel Status, Meals, Reimbursement

REFERENCE NUMBER (CODE):

2024-003

CHAPTER:

Financial Management

LEVEL OF POLICY:

Administrative

DEVELOPED BY:

Zach Humphreys, Executive Assistant

Becky Hasart, Finance Director

_____ Mayor

_____ City Administrator

SUBMITTED TO COUNCIL:

_____ N/A

_____ Yes Resolution # 2024-003 Date 2/20/2024

RECEIVED:

_____ Police

_____ Human Resources

_____ Clerk

_____ Engineering

_____ Finance

_____ Public Works

_____ Community Dev.

_____ City Attorney

_____ Risk Management

_____ Parks and Recreation

I understand that it is my responsibility to read this policy and to consult my supervisor if I have any questions. I understand the statements contained in this policy are guidelines and summaries of what is or is not allowed while a representative of the City is conducting City business. They do not bind the City of Monroe. I further understand that the City of Monroe reserves the right to change, revoke, or make exceptions to this policy at any time and at its sole discretion. This document should not be construed or relied upon by anyone as a legal document, covenant, or contract of any kind. I understand that the policies, procedures, and practices described in this policy shall apply to all representatives of the City of Monroe except where otherwise noted herein or unless they conflict with provisions of any binding collective bargaining agreement, civil service rule, or law.

1.0 **INTRODUCTION**

This policy has been established for representatives of the City incurring necessary expenses while conducting City business. Representatives are accountable for preserving and guarding the community's resources and making sure that the City's limited resources are expended in a manner that maximizes public benefit.

2.0 **STANDARDS**

Individual representatives of the City of Monroe have the responsibility of becoming knowledgeable about appropriate expenditures and documentation requirements set by the City of Monroe. Care must be taken to avoid unnecessary or excessive expenditures and those not directly related to the conduct of City business. Representatives are required to adhere to the following standards:

- 2.1 **State Law** – The expenditure must be consistent with state law.
- 2.2 **Federal Requirements** – If federal funds are used for travel related to a federally funded program, expenses must meet the Federal Uniform Purchasing Guidelines.
- 2.3 **Authorization** – The expenditure must be authorized either by this policy or by an exception granted by the appropriate authority.
- 2.4 **Public Purpose** – The expenditure must be related to a City of Monroe public purpose and be reasonable in amount and nature as defined by the Reasonable Person Test below.
- 2.5 **Documentation** – There must be thorough, **original (no copies) itemized** documentation (as required by the Internal Revenue Code) of the expenditure. This can be in the form of an original vendor's invoice (where appropriate), or a vendor's receipt in the case of pre-paid expenses. Lack of an original itemized receipt may make the reimbursement subject to federal tax withholding.
 - 2.5.1 In cases of purchased meals, the original (no copies) itemized receipt needs to include the names of all persons for whom a meal was purchased and the purpose of the meeting. This information can be written on the back of the original receipt or on a separate sheet of paper attached to the original receipt. Summary restaurant receipts without the original itemized receipt will not be accepted.
- 2.6 **Core Value Test** – Expenses must fit within the framework created by the City of Monroe's Core Values.
- 2.7 **Reasonable/Reasonable Person Test** – Would the average Monroe resident agree that the expense was a legitimate use of their taxes?

The Finance Department is responsible for administering these rules and procedures and for providing forms, accompanied by instructions, for their implementation.

3.0 **PURPOSE AND SCOPE**

To provide guidance to representatives of the City and to meet the requirements of RCW 42.24.090, the department director must pre-approve all expenditures under \$500. The Mayor's approval is required for requests over \$500.

4.0 DEFINITIONS

Approved Expenses:

- 4.1 Meals, food, and non-alcoholic beverages for City meetings that could not be held during non-meal time periods.
- 4.2 Food for meetings when staff/officials were not allowed reasonable time to obtain a meal prior to the start of the meeting (e.g., City Council retreats starting on or before 6:00 P.M.). Reasonable time for this purpose is no less than forty-five minutes before the start of the meeting.
- 4.3 Food and non-alcoholic beverages for City functions where **all** City staff can attend (e.g., wellness events, staff appreciation BBQ, etc.). Department-only meetings do not qualify.
- 4.4 De minimis food and non-alcoholic beverages for City meetings that include required public attendance and participation.
- 4.5 De minimis gift cards for public input
- 4.6 Meals (see 6.0) are directly related to and necessary for attending events held by organizations directly related to city business. Working breakfast, lunch, or dinner. These organizations include but are not limited to:
 - 4.6.1 Chamber of Commerce
 - 4.6.2 Association of Washington Cities
 - 4.6.3 Business Leagues
 - 4.6.4 Trade or Professional Organizations
- 4.7 Transportation expenses while conducting City business (see 5.1)
- 4.8 Registration fees and charges (see 5.2)

Credit Card – the term is interchangeable with P-card/Purchase card

IRC – Internal Revenue Code, the code that requires original receipts for reimbursements and requires reimbursements to be made within thirty (30) days of the event. Lack of original receipt and/or failure to meet the thirty (30) day timeline may subject the reimbursement to federal tax withholding.

IRS – Internal Revenue Service

Mayor – elected, administrative head of the City. References to the Mayor may also mean their designee.

Non-Travel Status – City business or training that does not qualify for travel status or meal reimbursement because it is less than 30 miles or more from their point of origin (City Hall or home, whichever is closer to the destination) and/or does not require an overnight stay.

P-Card – A business charge card that employees use to buy things on behalf of the City of Monroe.

RCW – Revised Code of Washington

Representatives of the City – Includes City elected and appointed officials, City consultants/contractors (when appropriate), City representatives of the City, and authorized City volunteers.

Training – When a representative of the City travels to attend courses or professional meetings that may involve scientific or professional societies, municipal, state federal, or international organizations.

Travel Status – See TRAVEL STATUS POLICY. It is the responsibility of representatives to read the City of Monroe's Travel Status Policy.

Unapproved Expenses – Expenses that the City will not reimburse with City funds.

WCIA – Washington Cities Insurance Authority

5.0 APPROVED EXPENSES

The City will pay for allowable non-travel business expenses when necessary and directly related to conducting business for the City of Monroe including:

5.1 **Transportation** – Non-travel business transportation expenses may include mileage expenses for the cost of operating a Personal Vehicle, tolls, and parking fees.

5.1.2 **Vehicle**

5.1.2.1 If using a City vehicle, the City representative shall have successfully completed a driver's background check that is on file with Human Resources.

5.1.2.2 **City Vehicles** – A representative of the City shall use a City vehicle to conduct City business if available.

a. If a representative is issued an allowance for gas to use their personal vehicle, a representative may not use a City vehicle unless they are using it to transport other city staff or other approved passengers.

b. When using a City vehicle, it is the responsibility of a representative to check the gas gauge and use the fueling station located on the municipal campus if needed before departure.

c. If a representative is using a City vehicle within City limits, all refueling for a City vehicle will occur at the fueling station located on the municipal campus.

d. If a representative has not been issued a City credit card and the representative is using a City vehicle, the representative may be reimbursed for gas for the City vehicle upon presentation of an original gas receipt.

5.1.2.3 **Use of Personal Vehicle** – If a City vehicle is not available, a representative of the City with written approval from their department director or appropriate authority, may utilize a personal vehicle and claim mileage reimbursement:

a. At the IRS “standard mileage rate” in effect at the time of travel. Because this rate takes into account the cost of gasoline, reimbursement for actual gas expenses will not be allowed.

b. For round-trip mileage from the point of origin (City Hall or home, whichever is closer to the business destination) to the business destination.

c. If a representative uses their personal vehicle and does not have written approval from their department director or appropriate authority, the representative may not claim mileage reimbursement.

5.1.2.4 **Auto Liability Insurance** – All representatives of the City utilizing their personal vehicle for City business are responsible for maintaining auto liability insurance coverage for bodily injury and property damage. Representatives may be asked to obtain a special endorsement for business use prior to utilizing a personal vehicle for business purposes. In the event of an accident or claim involving a personal vehicle

used for official purposes, the representative's auto liability insurance policy will be considered the primary insurance coverage.

5.1.2.5 **Drug, Alcohol, Vape, and Smoke-Free** – Use of a City vehicle or personal vehicle any time after the consumption of alcohol or drugs, or after taking prescription medication that affects driving ability is strictly prohibited. Smoking and/or vaping of any kind in City vehicles is strictly prohibited.

5.1.2.6 **Accidents** – All accidents that occur while a representative of the City is conducting City business must be reported to the representative's supervisor or to the City Administrator if a person is an elected or appointed official. An accident report must be completed and forwarded to the City's risk manager.

5.2 **Non-Travel Status Training Expenses** – Registration fees or tuition for training, including the expenses for required educational materials will be paid for by the City of Monroe. Registration for any training will ideally be arranged by the staff from the City of Monroe in advance. Any materials paid for by the City become the property of the City of Monroe.

6.0 MEAL EXPENSES

6.1 Meals and associated incidentals (tips) are allowed under the following circumstances:

6.1.1 Meals, food, and non-alcoholic beverages for City meetings that could not be reasonably held during non-mealtime periods (see 6.2 below).

6.1.2 Food for meetings when staff/officials were not allowed reasonable time to obtain a meal prior to the start of the meeting (e.g., City Council retreats starting on or before 6:00 P.M.). Reasonable time for this purpose is no less than forty-five minutes before the start of the meeting.

6.1.3 Food and non-alcoholic beverages for City functions where **all** City staff can attend (e.g., wellness events, staff appreciation BBQ, etc.). Department-only meetings do not qualify.

6.1.4 De minimis food and non-alcoholic beverages for City meetings that include required public attendance and participation.

6.1.5 Meals that are directly related to and necessary for attending events held by organizations directly related to City business. These organizations include but are not limited to:

Chamber of Commerce

Association of Washington Cities

Business Leagues

Trade or Professional Organizations

6.2 A representative of the City may only use City funds to purchase meals outside of the examples in 6.1.1 through 6.1.5 if they receive approval from the department director **and** can attest in writing that City business had to occur and could only occur during a mealtime. Food and non-alcoholic beverages outside of mealtimes must be de minimis.

6.2.1 **Mealtimes** – Meal times are:

Breakfast 6:00 A.M. – 10:00 A.M.

Lunch 11:00 A.M. – 2:00 P.M.

Dinner 4:30 P.M. – 7:00 P.M.

- 6.3 **Tips** – Tips may be given to service providers during business-related activities. Representatives of the City shall not give tips that exceed 20% of the total bill, inclusive of the restaurant servers' charges.
- 6.4 In cases of purchased meals, the original (no copies) itemized receipt needs to include the names of all persons for whom a meal was purchased and the purpose of the meeting. This information can be written on the back of the original receipt or on a separate sheet of paper attached to the original receipt. Summary restaurant receipts without the original itemized receipt will not be accepted.

7.0 UNAPPROVED EXPENSES

The City of Monroe will not reimburse a representative of the City for disallowed expenses, including but not limited to the following examples:

- 7.1 Liquor
- 7.2 Theft, loss, or damage to personal property
- 7.3 Expenses of a spouse, family, or other persons not providing City services
- 7.4 Medical or hospital expenses not covered by medical benefits or worker's compensation
- 7.5 Fines for parking violations
- 7.6 Personal entertainment and transportation
- 7.7 Personal care services (e.g. laundry, valet service, radio, and television rental)
- 7.8 Tips exceeding 20%

Additionally, the City will not reimburse expenses that fall outside the scope of this policy.

8.0 CREDIT CARDS

- 8.1 Representatives of the City with City-issued Purchase Cards should adhere to the Procurement Policy and Credit Card policy along with this policy.
- 8.2 **Lost or Stolen Credit Cards** – If a representative of the City has their City credit card lost or stolen, they are responsible for notifying the Finance Department as soon as possible but no later than 24 hours, or the representative will be personally responsible for charges not authorized. In addition, the representative's Director or appropriate authority should be notified as soon as possible.

9.0 REFERENCED DOCUMENTS

Expense Reimbursement Form

Federal Uniform Purchasing Guidelines

Non-Travel Status Policy

Procurement Policy and Credit Card policy

Training Request Form

Res 2024-003 Incurring Expenses While Conducting City Business Policy

Final Audit Report

2024-02-22

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✔ Agreement completed.

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