

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

310



FROM: Auditor-Controller

SUBMITTAL DATE: March 17, 2003

SUBJECT: Internal Revenue Service (IRS) 2003 Mileage Rate

**RECOMMENDED MOTION:** Move that the Board of Supervisors approve the proposed amendment to Board Policy D-1, Travel Regulations, Section 6, Private Automobile.

**BACKGROUND:** Current Board Policy D-1 (Attachment A) states, "The private vehicle mileage reimbursement rate is the Internal Revenue Service (IRS) standard mileage rate for private vehicles in effect on July 1<sup>st</sup> of any given fiscal year". The IRS optional standard rate is announced annually for use on a calendar year basis. The standard mileage rate for the use of a car for business purposes in calendar year 2003 is 36 cents a mile for all business miles driven, decreased from 36.5 cents a mile in 2002. The proposed amended Board Policy D-1 (as shown below) would synchronize the county's rate to the same calendar-year time frame as the IRS. This would alleviate problems associated with employees having a portion of their mileage reimbursement being either taxable or eligible for a tax return deduction caused by the timing difference.

The various representing unions have also approved the proposed amendment.

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*Robert E. Byrd*  
ROBERT E. BYRD  
Auditor-Controller

**FINANCIAL DATA:**

CURRENT YEAR COST \$  
NET COUNTY COST \$

ANNUAL COST \$  
IN CURRENT YEAR BUDGET:  
BUDGET ADJUSTMENT: FOR FY:

SOURCE OF FUNDS:

C.E.O. RECOMMENDATION: **APPROVE.**

County Executive Officer Signature *Dennis C. Hardin*

Department Recommendation: ( ) Policy  
Per Executive Office: ( ) Policy  
( ) Consent ( ) Policy  
( ) Consent ( ) Policy

Prev. Agn. ref.

Dist. *ALL*

AGENDA NO.  
**3.8**

SUBMITTAL TO THE BOARD OF SUPERVISORS  
INTERNAL REVENUE SERVICE (IRS) 2003 MILEAGE RATE  
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**BACKGROUND:** (Continued)

**Proposed Amendment** (Change denoted by bold underlined italicized print)

**6. Private Automobile**

Reimbursement for use of a private vehicle shall be allowed upon authorization of the Department Head, County Executive Officer, or the Board of Supervisors. ***The County's private vehicle mileage reimbursement rate is to be the same rate as the Internal Revenue Service (IRS) standard mileage rate for private vehicles and will be effective concurrently with IRS' periodic establishment of such rate.***

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BOARD OF SUPERVISORS POLICY**

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**1. Scope**

It is the purpose of this policy to establish procedures & standards for reimbursement of necessary out-of-pocket expenses incurred by County officers and employees and other authorized persons, for whom allowance of travel expenses is authorized by or pursuant to law or ordinance because of travel on official County business. For the purposes of this policy, elected officials shall be considered department heads. Each department head is charged with the responsibility of authorizing, including determining the necessity for and method of travel, trips which do not specifically require authorization by the Board of Supervisors or the County Executive Officer, with due regard for minimizing the cost of travel.

A department head may be held personally liable for any travel costs incurred by members of his/her department if the department head has authorized the travel, but such travel is not permitted by these regulations or the manager is negligent in exercising prudent control. The Auditor-Controller shall refer to the County Executive Officer any travel reimbursement claim that is considered to be not in conformance with this policy. The County Executive Officer shall have the authority to approve the payment of the claim if there is lack of certainty regarding the application of the policy to the questioned claim, or if the action of the department head was not unreasonable in light of all the circumstances. If the County Executive Officer denies approval, the department head may place the matter on the agenda of the Board of Supervisors for final disposition.

**2. Lodging**

Actual cost for lodging, not to exceed \$159 is allowed provided such cost is reasonable for the location and is consistent with government and/or conference/convention rates, if available, or usual charges established for the general public. For lodging in high cost cities (e.g. , San Francisco, New York, Washington D.C.) actual cost not to exceed \$239 is allowed. Lodging costs exceeding the established limit may be reimbursed at a higher rate if a written statement explaining the reason for the expense is submitted by the department head with employee reimbursement form.

An employee reimbursement claim for lodging must provide an explanation of the business purpose of the stay & be supported by a receipt.

A government rate, if available, should be requested when booking a room (County employees should be prepared to provide proof of employment with the County).

Extended lodging may be approved if the cost of extended lodging is less than return travel expenses without the extended stay

Only the single occupancy rate may be claimed for reimbursement except a multiple occupancy rate may be claimed when County employees share, when appropriate, a room.

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**3. Meal Expenses**

Actual (not to exceed maximum, see below) cost shall be allowed for meals related to attendance at conventions, scheduled meetings, conferences, seminars, special assignments or an assignment that requires an overnight stay away from home.

- a. The standard reimbursement for meals is \$10, \$15, and \$25 for breakfast, lunch and dinner respectively, inclusive of tax and tip. The schedule of reimbursement for meals in high cost cities is \$15, \$20, and \$30 for breakfast, lunch and dinner respectively, inclusive of tax and tip
- b. An employee reimbursement claim is based on actual (not to exceed maximum) cost.
- c. Receipts are not required for meals listed on the employee reimbursement claim for meals costing less than the above listed schedule of reimbursements.
- d. Reimbursement for meals may exceed the maximum amounts for breakfast, lunch, dinner, or banquet only if the meal is organized by a non-County entity where the established price of the meal usually includes facility, speaker, or other costs. A written statement explaining the necessity for incurring such expense & documentation (e.g. flyer or brochure) must be submitted with an employee reimbursement claim.
- e. Where the cost of a meal is included as part of a registration charge or fee, no employee reimbursement may be claimed for that meal.
- f. For same day travel, expenses for meals are limited to activities outside normal work duties. Reimbursement for a meal is provided when it is not reasonable for a person to provide their own meal (e.g. when attending a non-County sponsored conference, non-County sponsored training course, or other special situations which may be considered on a case-by-case basis). Travel to a temporary worksite does not qualify for meal reimbursement.
- g. No reimbursement shall be made for alcoholic beverages of any kind.

**4. Public Transportation**

Actual cost of common carrier services, including taxicabs & car rentals, when necessary shall be allowed. The County's designated travel agent should be used for booking air transportation or rental cars. Reservations for air transportation should be booked as early as is reasonable to take advantage of lower cost air fares. Coach class airfares should be used if such seating is available. County group purchased air coupons should be used if available. Claims for payment or employee reimbursement shall be accompanied by a receipt or other voucher for common carrier expense in excess of \$10.00.

**5. Rental Cars**

If available, a county issued corporate rental vehicle card shall be used for all travel requiring the use of a rental vehicle.

If a County issued corporate card is unavailable, the County requires employees to purchase the Loss Damage Waiver (LDW) so the employee is not held responsible for damage (under normal circumstances) to the rental vehicle and such cost will be

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reimbursed. However, the County will not reimburse employees for the cost of other optional insurance. (e.g. liability, uninsured/underinsured motorist, personal accident & personal effects), since the County is self-insured for vehicle liability & third party physical damage and provides worker's compensation coverage.

Employees are required to notify Human Resources, Risk Management Division at (909) 955-3530 and the employee's supervisor as soon as possible (within 24 hours) of any event, incident or accident related to the rental car. Complete County of Riverside, "County Vehicle Accident/Incident Report," Form 942-6 (Safety Division form).

**6. Private Automobile**

Reimbursement for use of a private vehicle shall be allowed upon authorization of the Department Head, County Executive Officer, or the Board of Supervisors. The private vehicle mileage reimbursement rate is the Internal Revenue Service (IRS) standard mileage rate for private vehicles in effect on July 1st of any given fiscal year.

If an employee is required to use his/her personal vehicle while in the course and scope of his/her employment, the employee must, prior to using said vehicle, do the following:

- A. Complete County of Riverside "Authorization to Drive Riverside County Vehicle or Private Vehicle for County Business," Form 30, authorizing the employee to use his/her personal vehicle which must be approved by the Department Head.
- B. Insure the vehicle in minimum limits required by the State of California. In addition, employees must have their policies of insurance endorsed to reflect business use. Such insurance must be maintained at all times while employed in a position where it is required or may be required to use a personal vehicle while in the course and scope of employment. In the event of an incident or accident, the County does not assume responsibility for any physical damage to an employee's personal vehicle.
- C. Provide a copy of a valid driver's license, which is appropriate for the class of vehicle to be operated. If any restrictions apply, the employee must notify his/her supervisor of the restrictions and/or any and all changes in the license (i.e. suspended, etc.).

The use of motorcycles, mopeds, and similar types of vehicles for the conduct of County business is expressly prohibited, with the exception of the Sheriff's Department sworn personnel.

When a department head authorizes use of a private vehicle for the convenience of the driver, instead of more economical travel by air, reimbursement shall not exceed the cost of usual airfare plus related subsistence and surface common carrier expenses. Employees are required to notify Human Resources, Risk Management Division's representative, and the employee's supervisor as soon as possible (within 24 hours) of any incident or accident. Complete County of Riverside, "County Vehicle Accident/Incident Report," Form 942-6 (Safety Division form).

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**7. Private Aircraft**

The use of private aircraft for the conduct of County business is expressly prohibited unless prior authorization is given by the Board of Supervisors.

**8. Miscellaneous Expenses**

Miscellaneous expenses, including charges for business telephone calls, fax service, e-mail, telegrams, the cost of usual or necessary services and supplies, including emergency repairs, parts or towing for County vehicles, conference registration fees, vehicle parking, bridge tolls, and any other justifiable business expenses shall be allowed.

A satisfactory explanation of the circumstances may be required for expenditures that are large or unusual. An employee reimbursement for miscellaneous expenses, except for telephone, fax, e-mail and telegrams, shall be accompanied by a receipt or other voucher for any item in excess of \$10. Personal telephone calls shall not be reimbursed.

**9. Special Provisions for County Employees on Indefinite Assignments**

When approved by the Department Head and County Executive Officer, employees assigned indefinitely (for periods of 90 days or more) out of town are provided the following compensation options:

A. Standard reimbursements as provided herein (or limited by program provisions); or

B. Commuter model compensation:

Meals:	\$50.00 per day or portion thereof in travel status
Lodging:	\$1,500 per month (prorated at \$50.00 per day)
Transportation Allowance:	\$600 per month (Parking, Car Rental, etc):

Under the commuter model, no receipts or records are required by the County. However, the employee must substantiate deductible expenses on his/her personal tax return.

No tax deduction is allowed by IRS if assignment is expected to exceed one year. The "commuter model compensation" will be grossed up by a factor of 20% to recognize this tax impact for employees whose assignments are expected to exceed one year.

C. Relocation model – reimbursement for relocation expenses pursuant to existing county policy of up to 15% of current pay or \$7,500, whichever is greater. Employees who fail to complete at least 18 months of indefinite assignment, will be required to repay the County based on the following schedule:

1. Termination within twelve (12) months of hire date 100% of paid relocation expenses.

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2. Termination after twelve (12) months from hire date, but less than eighteen (18) months, pro-rata percentage of paid relocation expenses (calculated at month end):
  - a. Twelve (12) Months – 86% of paid relocation expenses
  - b. Thirteen (13) Months – 72% of paid relocation expenses
  - c. Fourteen (14) Months – 58% of paid relocation expenses
  - d. Fifteen (15) Months – 44% of paid relocation expenses
  - e. Sixteen (16) Months – 30% of paid relocation expenses
  - f. Seventeen (17) Months – 16% of paid relocation expenses
  
3. No repayment is required after eighteen (18) months of employment (19<sup>th</sup> month of employment).

**10. Travel Authorization**

Reimbursement for travel expenses require prior authorization as follows, unless approved by the Board of Supervisors in the departmental budget:

**A. By County Executive Officer:**

All travel wherein the estimated total cost (including transportation, lodging, and meals) is \$1,000 or more per person.

**B. By Department Head:**

All travel wherein the estimated total cost (including transportation, lodging and meals) is less than \$1,000 per person.

**11. Use of Claim Form**

Employee expense claim must be filed on a form approved by the County, and must include date, business destination, amount, and business purpose. Claims must include date, business destination, amount, and business purpose. Claims shall be filed promptly, normally no later than the end of the month following that in which the travel was performed. Commuter model compensation and relocation model compensation will be processed as additional pay, and no other form will be required.

**Reference:**

Minute Order dated 1-21-75  
Minute Order 3.3 of 4/29/97  
Minute Order 3.3 of 10/16/2001