

CITY OF TUSKEGEE

ACCOUNTING POLICIES & PROCEDURE MANUAL

December 19, 2017

PREPARED by: Frankie L Williams, Finance Director

In consultation with City Managers

TABLE OF CONTENTS

Introduction	2
Organizational Chart	Included
Organizational Structure	3
Revenue and Collection	3
Cash handling	3
Responsibilities	3
Credit cards	3
Refunds	4
Purchasing	4
Bid Process	4
Guidelines for obtaining vendors	5
Check Disbursement	6
Accounts Payable	6
Credit Card Policy	6
Financial Management	
Chart of Accounts	8
General Ledger	9
Capital Assets	10
Journal Entries	10
Bank reconciliation	10
Payroll	10
Appendix	12
Travel Policy	13
Forms	16
Department cash balancing forms	
Requisition	
Request for proposal receipt form	
Requisition Input Procedures	
Service contract	

INTRODUCTION

The purpose of this Accounting manual is to document the policies governing the City of Tuskegee's accounting practices and set forth policies.

The principles and policies provide:

- A foundation for a system of internal controls
- Guidance in current financial activities
- Criteria for decisions on appropriate accounting treatment.
- Accounting staff with direction and guidance in connection with those accounting transactions, procedures, and reports that should be uniform throughout the City.
- Department managers with direction and guidance in daily procedures.

When consistently applied throughout the city, these principles and policies assure that the various financial statements issued by the city accurately reflect the results of the city's operations.

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced in the operations of the City.

Any additional departmental or functional policies and procedures written should conform to and parallel the policies in this manual. All changes to policies and procedures are required to be reviewed to ensure that there are no conflicts with the policies stated in this Accounting and Procedures Manual.

Organizational Structure

The City of Tuskegee operates on the Council - Manager Form of government. There are four council members; one council person at-large and the other three in districts. The mayor presides at council meetings. The city manager is responsible for the oversight of all administrative tasks necessary for city operations and is appointed by the city council.

The Finance Department, one of the many departments under the direction of the city manager, is responsible for the administration direction and coordination of all financial services of the City. Services includes: accounting and financial reporting, revenue, purchasing, accounts payable, payroll and budgeting.

CASH - Cash Collection, Drawers, Credit Cards

Policy: Proper internal control should be maintained over funds received by All departments at all times.

The purpose of this policy is to establish uniform practices for cash control, including cash receipts, credit cards, refunds and reconciliations with deposits. This policy covers all personnel handling cash transactions.

Responsibilities:

Individual Departments:

Department Managers are responsible for ensuring that all money collected is reported to the finance department - revenue section daily. Due to the nature of funds collected, forms provided must be turned in daily to the revenue section of the finance department. Forms included in the forms section of this manual.

Revenue Section:

Revenue personnel are responsible for receipting and depositing money daily. This process takes place in the Cash Collection Application of the financial software. Receipts are generated indicating the purpose of the funds. The cash receipts system prints two receipts one is given to the customer and one is attached to any paperwork. In cases when the computer system is down, manual receipts will be given as a temporary receipt. Soon as the computer is on-line again, these receipts will be entered with references to the manual receipt. All receipts for the day are attached to the close-out report. Deposit ticket(s) are attached. The bank receipt is attached upon receipt from the bank. Receipts for each month are kept together and filed.

Credit Cards: Credit Cards are accepted as a form of payment. When credit cards are presented, customers' identification is checked.

REFUNDS:

POLICY:

Refunds, when necessary will be given only to the person(s) or company that has paid money to the city of Tuskegee. Refunds must be approved by the Finance Director or the City Manager prior to processing.

PURCHASING

Purpose:

The purpose of this policy is to procure the necessary goods and services in an efficient, timely, and cost-effective manner, as well as to encourage the most open, competitive purchasing process practicable to acquire goods and services at the best possible value while treating all vendors equitably. Such goals will increase the public's confidence in the procurement process for the City of Tuskegee.

Policy:

No purchases shall be made by any City Employee without prior approval of the City Manager. When making any purchase not subject to the bid process described below, employees must solicit quotes according to the following process: for purchasing ranging from \$1000 to 4,999 at least two vendors, ranging from 5,000 to 14,000 at least three written quotes. Vendors will be selected based on cost, the quality of the goods and services offered, and the ability, capacity, and skill of the vendor demonstrated under prior contracts with the City.

Bid Process:

All purchases of \$15,000 or more shall be subject to the current State of Alabama's bid process. The bid process shall be initiated by the issuance of a request for bids prepared by the selected department in conjunction with the finance department. Notice of the request for bids shall be made by letters to known providers soliciting bid responses, advertisements posted in public locations within the City, and advertisements placed in a newspaper of general circulation and on the City of Tuskegee's Website.

Bid Specifications

Bid specifications shall include but not limited to:

1. Bid name.
2. Bid submission deadline.
3. Date, location, and time of bid opening.
4. Specifications for the project or services including quantity, design, and performance features.
5. Bond and/or insurance requirements.
6. Any special requirements unique to the purchase.

7. Delivery or completion date.

Once a request for bids has been issued, the bid specifications will be available for inspection at the City Manager's Office.

Sole Source Purchases. If the City determines that there is only one possible source for a proposed purchase, it may waive the bid process and authorize the purchase from the sole source.

Recurring Purchases. If the total value of a recurring purchase of a good or service is anticipated to exceed \$15,000 during any fiscal year, the bid process shall be utilized and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, for that fiscal year.

Emergency Purchases. The City of Tuskegee may award contracts and make purchases for the purpose of meeting public emergencies without complying with the bid process. Emergency expenditures may include immediate repair or maintenance of the City's property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important City services.

Professional Services. The bid process shall not apply to the selection of providers for services that are characterized by a high degree of professional judgment and discretion including legal, financial, auditing, engineering, risk management, and insurance services.

Procedure:

Departments submit requisitions after following the proper steps, properly coded and on the standard requisition form, to the finance department after input into the Incode Purchase Order/Requisition Application Process. Departments will be given a Purchase Order Number on the printed purchase order form from the Incode system, as approval to make purchase or obtain the service. Requisition Input Procedures and a Requisition form are included in the appendix of this manual. The following are guidelines for obtaining vendors who are not in our system and price quotes.

GUIDELINES FOR OBTAINING VENDORS & PRICE QUOTES

BEFORE OBTAINING ANY VENDOR TO DO WORK FOR THE CITY OF TUSKEGEE, **Managers must** ADHERE TO THE FOLLOWING:

1. Vendor must be license by the City of Tuskegee
2. Vendor must have presented a certificate of Insurance.
3. They must be in our system.*

When you are obtaining price quotes, Please give all vendors a written description of what you want. All vendors should have equal opportunities to give price quotes.

When quotes are obtain and you have made your decision, forward, along with the request for proposal form, the written description and quotes obtained to the Finance department, with your requisition.

* If not a City Vendor, a Vendor Application should be filled out. The proposed vendor should have a business license for the city of Tuskegee, also all required insurance certificates. Remember our workers' compensation insurance requires all who do work for the City of Tuskegee to have their own workers' compensation insurance.

Check Disbursement Procedures:

Invoices are received in the finance department through the mail or email. When received they are matched with invoice and processed for payment through the Accounts Payable/check writing application on the Incode software. Checks are submitted to City Manager for signatures. They are signed by those authorized to sign, presently, the City Manager and the Mayor or the Mayor Pro-Tem. Checks maybe released by the City Manager, Finance Director or Accounts Payable Clerk.

Accounts Payable:

Accounts Payable process starts with departments entering requisitions in the Purchase Order/Requisition Process within the Incode Software Application. Hard copies are submitted to Accounts Payable after in-put into the system by the respective department. After processing Purchase Orders are issued or a check is prepared.

It is the policy of the City of Tuskegee that only original invoices will be processed for payment unless duplicate copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Credit Cards: The use of credit cards is available to the mayor, council members and certain city staff. When the use is necessary, the following policy shall be followed:

CREDIT CARD POLICY

Revised June 17, 2014

Credit card issuance and return

- The Finance Director is responsible for controlling, issuing, receiving, and monitoring the status of City credit cards. City credit cards will be issued no earlier than the traveling employee's last working day or last duty day before the date of departure from Tuskegee. In the event that the Finance Director is not in his/her office, an Accountant in the Finance Department is authorized to issue City credit cards. If an employee needs to obtain or return a City credit card during the noon hour, he or she should call the Accounts Payable Specialist prior to noon to ensure that an authorized employee will be available to issue or receive the City credit card.

Credit card reservations

- In the event that travel reservations are to be made on-line via the internet or if registration fees need to be charged to a credit card in order to obtain an early registration discount or in circumstances when Travel and Training costs cannot be obligated by purchase order, departments may contact the Finance Director and request a City credit card to which such expenses may be charged.

Employee responsibilities for City credit cards

- Employees to whom credit cards have been issued are responsible for maintaining appropriate physical control over the credit card and for reporting any loss, theft, or misuse of the card.
- Employees are responsible for ensuring that, while in possession of a City credit card, they do not use the City credit card to make personal purchases.

RETURN FROM TRAVEL

- The Meal Summary Form is required if any meals have been charged to the City credit card and/or if any per diem is claimed on the TT-2
- Return the City credit card to his or her department head within three (3) working days
- Department heads are responsible for reviewing employees' Forms TT -2 and attachments, signing the TT -2 to document their review and approval.

Failure to meet deadlines

- A delinquent Form TT-2 may be cause for disallowance of reimbursable travel expenses and could result in all travel expenditures being payable by the employee(s) performing the Travel and Training.
- Failure to submit TT-2s timely and to return City credit cards promptly to the Finance Department upon completion of the travel may result in the traveling employee(s) who are responsible for the City credit card to be responsible for all charges: The finance charges on the City credit card that result from late submission of TT-2s; Any unauthorized charges on the City credit card; and/or Disallowance of future use of City's credit cards.

Other Credit Card Uses

The Credit Card may upon approval from the city manager or Finance Director be used for other purchases when it is not convenient to have a check cut or purchase order issued. These purchases must fall within the city purchasing guidelines.

CHART OF ACCOUNTS

This section explains a fundamental component of the City's financial system, the Chart of Accounts.

1. Definition – To make it possible to summarize information to the General Ledger, a coding system has been developed that identifies all of the City's financial activity.

This coding system establishes a General Ledger account number which is 10 digits long. This coding system is known as the Chart of Accounts.

Account Code Structure – The 10 digit account code is divided into 3 parts, called segments. An example showing the 3 individual segments:

011-100-5100 – General Fund – Administration Department –Travel & Training

Each Segment of the account code is assigned a name, number and length as illustrated in the following chart.

Segment Name	Length
Fund	3 characters
Department	3 characters
Account	4 characters

- a. Fund - All financial activity in the City must be recorded in a Fund. The City maintains approximately 20 self-balancing funds on either a modified accrual or accrual basis of accounting depending on whether the fund is Governmental or Fiduciary.

Examples of Governmental Funds are:

General Funds
Special Revenue Funds
Debt Service Funds
Capital Projects Funds

Examples of Fiduciary funds are:

Agency Funds

Fund codes are created jointly by the City Manager and the Finance Director.

- b. Department - The segment of the code that represents the department or division that has budget responsibility for expenditure. Assets, liabilities and revenues use 000. Department codes are created jointly by the City Manager and the Finance Director.

- c. Account - All financial activity in the City must be recorded to an account code (XXX-XXX-AAAA). The first digit of the Account identifies the account group:

- 1xxx Series - Asset Account

- 2xxx Series - Liability Accounts

- 4xxx Series - Revenue Accounts

- 5xxx - 7999 Series - Expense Accounts

Basis of Accounting / Budget Reporting

This section describes the concepts that drive the way in which the City's finances are maintained and reported: "Basis of Accounting" and "Budget vs. GAAP reporting."

1. Basis of Accounting – Cash vs. Accrual

Basis of Accounting refers to when revenues, expenses/expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made. The following are the bases of accounting used by the City:

- a. Cash Basis - Transactions are recognized only when cash is received or disbursed.
- b. Accrual Basis - Transactions are recognized when the economic event occurs, regardless of whether or not cash is received or paid.
- c. Modified Accrual Basis - Expenditure transactions are recognized when incurred. Revenues are recognized when they are both measurable and available to finance the expenditures of the current period.

Governmental funds use the modified accrual basis of accounting. For a revenue to be recognized in a governmental fund, it must be 'measurable' meaning the amount must be known or reasonably estimated. It must be 'available to finance the expenditures of the same fiscal period for which the revenue is recorded.

Reporting Focus

The reporting concept used by the City of Tuskegee to refer to the way transactions are recorded and reported is the Budget basis in accordance with the generally accepted accounting principles and the Governmental Accounting Standards Board. Transactions are recorded according to the yearly adopted budget. Monthly detailed reports are given to each department to check for any necessary adjustments.

General Ledger

This section describes the City's General Ledger system and the ways in which a City employee can access information contained in this system.

The general ledger accounts for the financial activity of the City by fund and department. All entries and posting are generated through the vendor provided software system of cash receipts, payroll, accounts payable, purchase order, building projects, and business license. Adjustments are done through manual journal entries. Department managers are given a monthly report to monitor their departments. Any adjustments to posting are done by finance personnel. Any Budget adjustments are requested by the department manager and imputed by finance personnel. The detail process for each application is included in the appendix.

Capital assets:

Capital assets are tangible and intangible assets acquired for use in operations that will benefit more than a single fiscal period. Typical examples are land, improvements to land, easements, water rights, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and various intangible assets. (Land associated with infrastructure should be reported as land rather than as part of the cost of the related infrastructure asset.)

A capitalized asset is a capital asset that has a value equal to or greater than the capitalization threshold established for that asset type. Capitalized assets are reported for financial reporting purposes.

City of Tuskegee department are responsible for physical inventories every two years and submitting it to the finance department. When it becomes necessary to remove an asset from the inventory, that department must submit to the City Manager and to the Finance Director a list for declaration that the asset is no longer needed by the City of Tuskegee for business purposes. After declaration the City may sell by auction or other means.

Journal Entries:

Journal entries are necessary each month. They are prepared on a standard form according to the nature of the journal entry, by the finance Director and entered by the finance staff. They are reviewed by the finance director before posting to the General Ledger. All journal entries are filed along with supporting documentation.

Bank Reconciliations:

Reconciliations are done monthly within ten days after receipt from the bank. Account staff that does not have receipting functions of that statement may perform the reconciliation. They may be review by the Finance Director or the City Manager.

Payroll:

Payroll is initiated in the Human Resources Department. New Hires are entered in the system by the Human Resource department in the HR application Software. Payroll processing is in two parts, divided within the payroll software application. The first part (Preparation Process) is the input time which is done by one person and the input batch is ran and check with another person. Corrections may be

needed and are made before a preliminary calculation is done. The Preliminary calculation report is run without errors. Total pages, direct deposit pages, and posting entries pages are given to Finance Director for checking and this part is closed out.

The second part of Payroll (Distribution Process) is preform by another person who does the check printing, direct deposit posting and final close-out of payroll. Reports are checked against first reports ran before final closeout of payroll.

Travel:

To stay abreast of the ever-changing world, it is necessary for the City personnel to travel to seminars and workshops. The Travel policy is in place for all travel destinations. This policy is included in the Appendix.

APPENDIX

POLICIES

City of Tuskegee

Travel and Training Policy Statement

Table of Contents

Purpose

Policy

Procedures

- a. Budget Availability
- b. Procedures Summary
- c. General Requirements and Deadlines for Submission to the Purchasing Manager
- d. Submission to the City Manager
- e. Routing Approved TI-1
- f. Credit Card Issuance and Return
- g. Credit Card Reservations
- h. Employee Responsibilities for City Credit Cards.
- i. Travel Advances - City Employees
- j. Procedures Following Completion of Travel/Training
- k. Credit Card Procedures for Extended Travel Periods.
- l. Employee Responsibilities for City Credit Cards.
- m. Failure to Meet Deadlines for Submission of Form TI-2 and Return of Credit Card
- n. Review of Travel Expense Reports (Form TI-2)
- o. Payment of Travel Reimbursements Due to Employees

Employee Travel Accompanied by Non-Employec(s)

- a. General Provisions
- b. Travel Expenses Paid Prior to Travel
- c. Assessment for Travel Expenses Billed to the City but not Reported on the Form TT'- I

Mode of Travel

Authorized Expenditures

Other Provisions

Attachments

Form TT1

Form TT2

Meal Summary Form

a. Procedures summary. City employees should submit their Requests for Permission for Travel and Training on Form TT-1 (copy attached) to their department head for approval, with the related seminar or conference brochure and requisition(s) for the travel and training expenditures attached. If approved by the department head, the approved Form TT-1, with the relevant documentation attached, should be routed to the Purchasing Coordinator. The Purchasing Coordinator will time/date stamp and review the TT-1 for completeness; and then will route the TT-1 to the City Manager for approval of the travel purpose and dates. The City Manager will review and approve or disapprove the travel purpose and dates and return the TT-1 to the Purchasing Coordinator.

After the TT-1 has been approved by the City Manager, the Purchasing Coordinator will make copies for: the department submitting the TT-1, the Accounts Payable Specialist, and the Finance file for TT-1s pending credit card issuance, as appropriate. Then, a copy of the TT-1 with all attachments will be routed to the designated Finance Department staffer, who will encumber the accounts shown on the accompanying requisitions. The Purchasing Coordinator will maintain a file of original TT-1s.

Once the designated Finance Department staffer has encumbered the requisition(s), the copy of the Form TT-1 and accompanying seminar/conference brochure and requisition(s) will be routed to the Accounts Payable Specialist.

b. General requirements and deadlines for submission to the Purchasing Coordinator. The Form TT-1 should include actual costs and/or best estimates for the cost of registration fees, transportation, lodging, meals, and other expenditures, as well as the amount of any travel advance being requested. Travel advances from City funds may be granted to employees when all necessary documentation is received timely.

i. Requests that include *registration fees* should be submitted to the Purchasing Coordinator at

least two weeks prior to the registration deadline. A complete copy of the seminar/conference brochure must be attached to the TT-1.

- ii. Public Safety employees' requests that include *travel advances* should be submitted to the Purchasing Coordinator *at least three weeks prior to the date of departure*, to ensure that the requests can be placed on the City Council agenda for approval prior to the date of departure. The Police or Fire Chief will prepare the Agenda Item Summary and City Council Resolution to obtain travel advance approval and will attach those to the Form TT-1. The Purchasing Coordinator will route the Agenda Item Summary and City Council resolution to the City Manager along with the Form TT-1.

- iii. Requests that include ***other Travel and Training expenditures*** but do not require registration fees should be submitted to the Purchasing Coordinator at least ***two weeks prior to the expected date of departure from Tuskegee.***

- iv. Requests for ***seminars or training sessions in Tuskegee*** should be submitted to the Purchasing Coordinator ***two weeks prior to the date of the seminar or training session.***

When these lead times are not met, no advance of travel will be given.

- c. **Submission to the City Manager.** Once the Purchasing Coordinator has reviewed the TT-1 and supporting documentation and resolved any questions, the Form TT-1 is routed to the City Manager for review. The City Manager will sign where indicated

on the Form TT-1 to document approval of the travel purpose and dates, and then route approved TT-1 forms back to the Purchasing Coordinator.

d. **Routing approved TT-1s.** Upon approval by the City Manager, the Purchasing Coordinator will route a copy of Form TT-1 to the requesting department head. If the approved TT-1 reflects that a City credit card is to be carried with the traveling employee, the Purchasing Coordinator will route a copy of the approved TT-1 to the Accounts Payable Specialist. A copy of the approved TT-1 with all attachments will be sent to the designated Finance Department staffer (for City travel) for encumbering of all related requisitions.

e. **Credit card issuance and return.** The Purchasing Coordinator is responsible for controlling, issuing, receiving, and monitoring the status of City credit cards. City credit cards will be issued no earlier than the traveling employee's last working day or last duty day before the date of departure from Tuskegee. In the event that the Purchasing Coordinator is not in his/her office, the Accounts Payable Specialist is authorized to issue City credit cards. If an employee needs to obtain or return a City credit card during the noon hour, he or she should call the Accounts Payable Specialist prior to noon to ensure that an authorized employee will be available to issue or receive the City credit card.

f. **Credit card reservations.** In the event that travel reservations are to be made on-line via the internet or if registration fees need to be charged to a credit card in order to obtain an early registration discount or in circumstances when Travel and Training costs cannot be obligated by purchase order, departments may contact the Purchasing Coordinator and request a City credit card to which such expenses may be charged. The Purchasing Coordinator will not provide credit card account numbers to the City employees by telephone or email. Employees

should not copy City credit card account numbers, nor disclose credit card account numbers to unauthorized individuals.

g. The same policies and procedures that apply to the issuance of City credit cards will apply to the issuance of a credit card account number to be used for the purposes described above, primarily that there must be an approved Form TT-1 on file prior to the issuance of a credit card account number to which the related travel costs may be charged.

i. Each department head shall designate in writing to the Finance Department one administrative employee and one alternate employee who shall be authorized to check out credit cards for these purposes. Changes in these authorizations shall be made in writing, also.

iii.

ii. The Purchasing Coordinator will keep a log of the credit card account numbers issued for these purposes, detailing the account number issued, the date on which the account number was issued, the department and employee to which it was issued, the vendor to whom the charge was made and the amount of the charge. A copy of this log will be provided to the Accounts Payable Specialist for use in processing payments to the credit card company.

iii. The Purchasing Coordinator will monitor the status of credit cards as documented in the log and will notify employees and their department heads in writing when credit cards have not been returned within three (3) working days of the employees' completion of travel.

iv. Any employee to whom a credit card account number was issued, as documented in the Purchasing Coordinator's log, who uses that credit card account number for an unapproved purpose or for approved purposes other than those for which the credit card was issued, may be subject to disciplinary action.

h. Employee responsibilities for City credit cards. Employees to whom credit cards have been issued are responsible for maintaining appropriate physical control over the credit card and for reporting any loss, theft, or misuse of the card. Employees are responsible for ensuring that, while in possession of a City credit card, they do not use the City credit card to make personal purchases.

i. Procedures following completion of travel/training.

- i. **Within three (3) working days following the employee's return to work from travel, the employee will submit the**
Travel training Expense Summary, Form TT-2, and the Meal Summary Form (copies attached) with all necessary supporting documentation to his/her department head for review and approval. The Meal Summary Form is required if any meals have been charged to the City credit card and/or if any per diem is claimed on the TT-2.
- ii. If applicable, the employee will return the City credit card to his or her department head within three (3) working days following the employee's return to work from travel, to be checked in to the Purchasing Coordinator.
- iii. Department heads or their administrative clerks are responsible for date stamping TT-2s to document the date of receipt of the TT-2 from the employee. Department heads are responsible for reviewing employees' Forms TT-2 and attachments, signing the TT-2 to document their review and approval, and routing them to the Purchasing Coordinator **within five (5) working days following the receipt of the form.**
- iv. After the Purchasing Coordinator's review and resolution of policy issues, a copy of the TT-2 and the original attachments will be routed to the Accounts Payable Office as appropriate for processing of the employee's reimbursement (if any) and payment of the charges to the City credit card. The original TT-2 will remain on file with the Purchasing Coordinator.

j. Multiple employee's expenses on a single TT-2.

In the event that travel is approved for more than one employee for the same trip and that a single Form TT-2 is submitted to document the costs of the trip, a single Meal Summary Form combining the meals documentation for all travelers is allowable and

the signatures of all employees who incurred expenses will be documented on the TT-2. If any reimbursement is owed to one or more of these employees, as documented on the TT-2 and Meal Summary Forms, separate reimbursement requisitions should be prepared, showing the amount of reimbursement due to each employee.

- k. **Credit card procedures for extended travel periods.** When an employee has been issued a City credit card and had been approved for extended travel (a travel period longer than 14 calendar days), he/she is responsible for submitting all credit card receipts to his/her department head on a weekly basis while on extended travel status. Department heads are responsible for reviewing these receipts and providing a copy of the receipts, on which the department head's review and approval has been documented, to the Purchasing Coordinator for use in processing timely payments to the credit card company.

- l. **Failure to meet deadlines for submission of Form TT-2 and return of credit card.** A delinquent Form TT-2 may be cause for disallowance of reimbursable travel expenses and could result in all travel expenditures being payable by the employee(s) performing the Travel and Training. Failure to submit TT-2s timely and to return City credit cards promptly to the Finance Department upon completion of the travel may result in the traveling employee(s) who are responsible for the City credit card to be responsible for paying:

- i. The finance charges on the City credit card that result from late submission of TT-2s;
- ii. Any unauthorized charges on the City credit card; and/or
- iii. Disciplinary action as determined by the City Manager.
- iv. Disallowance of future use of City's credit cards.

Travel and Training requests (Forms TT-1) submitted by/for employees who have delinquent Forms TT-2 and/or City credit cards outstanding will not be processed until the outstanding Forms TT-2 have been received and satisfactorily processed and/or the outstanding City credit card has

been returned.

1. Review of travel expense reports (Form TT-2). The Purchasing Coordinator will review and reconcile the TT-2 and its documentation. The Purchasing Coordinator will attach documentation of any problems noted as a result of the reconciliation and TT-2 and will route the TT-2 to the City Manager for review and approval. The City Manager will review the TT-2 and attachments and sign where indicated on the Form TT-2 to document approval of the travel expenses and employee reimbursement.

- n. Payment of travel reimbursements due to employees.

Upon approval by the City Manager, Form TT-2 will be routed to the Purchasing Coordinator for processing of the traveling employee's reimbursement, if any is due. Travel reimbursements will be included in the first check write for which the reimbursement is eligible for inclusion.

Check writes are scheduled on the first and fifteenth of each month. All the necessary documents must be received by the Purchasing Coordinator at least seven (7) calendar days before a scheduled check write in order to be included in that check write.

4. Employee Travel Accompanied by Non-Employee(s):

- a. General provisions. In the event that an employee wishes to be accompanied by a non-employee on a City business trip, under no circumstances will the City expend any funds for travel costs of the non-employee.

In the event that an employee wishes to be accompanied on a City business trip by another City employee and the accompanying City employee's participation in the travel is not authorized by a Form TT-1 signed by the accompanying employee's department head and approved by the City Manager, the travel expenses of the accompanying employee shall be treated in the same manner as those of a non-employee who accompanies a City employee on a City business trip, as provided below.

- b. Travel expenses paid prior to travel. Travel arrangements (airline tickets, hotel reservations, activity registration fees, etc.) for the non-employee may be made at the same times as are arrangements for the employee. If travel costs are required to be prepaid, the amount by which the total travel costs exceed the amount of the travel costs if the employee were traveling unaccompanied must be paid to the City by the traveling employee prior to the disbursement of City funds to cover the total

costs.

This payment will be made by attachment to the Form TT-1 of the traveling employee's personal credit card, cashier's check or money order.

Personal checks will not be accepted under any circumstances.

- c. **Assessment for travel expenses billed to the City but not reported on the Form TT-2.** The Accounts Payable Specialist will notify the traveling employee and his department head in writing of any travel costs that have been billed to the City's account and have not been accounted for on the TT-2 at the time of submission. Within three (3) working days of this notification, the traveling employee will provide a written response to the Accounts Payable Specialist explaining and documenting the questioned costs. The Accounts Payable Specialist will forward the response to the Purchasing Coordinator, who will review and route to the City Manager. If the City Manager determines that these costs are non-employee travel costs or are otherwise unauthorized under the Policy, that were not paid by the employee at the time of submission of the TT-2, the traveling employee will be notified in writing and will have five (5) working days to submit payment of these additional non-employee or unauthorized travel costs.

If the traveling employee has not submitted the requested payment within five (5) days of notification by the City Manager, the cost and any resulting finance charges will be withheld from the employee's paycheck and the traveling employee may be subject to disciplinary action up to and

including termination.

5. **Mode of Travel**

- a. Out-of-town travel may be made by air, other common carrier, City vehicle, or a combination thereof, as recommended by the department head to be in the best interest of the City.
- b. Travel may be accomplished by personal auto at City expense when: (1) travel by auto is the most appropriate method and a City vehicle is not available, or (2) when the department head determines travel by personal auto to be in the best interest of the City. When so authorized, the employee will be reimbursed at the City's Standard Mileage Rate for necessary travel. Reimbursement shall not be made for side trips, nor for personal convenience (ex. shopping, site seeing, etc.) driving in the destination city.

c. When it has been determined that travel by a rental vehicle is in the best interest of the City and employee, the employee may rent a vehicle to drive for his own convenience, no mileage reimbursement shall be made to the employee for use of a rental vehicle.

d. When more than one City employee is authorized to travel to the same activity, whether the employees are from the same department or from various departments, and when travel to that activity is to be by automobile, the Purchasing Coordinator shall notify the traveling employees and their department head(s) so the travel expense for mileage or gasoline can be minimized. It is expected that up to four employees *can* travel in a single vehicle; if more than one vehicle per four employees is to be used for travel in these circumstances, the additional mileage/gasoline expenditures must be approved in advance and in writing by the City Manager. If this advance written approval has not been obtained, no reimbursement will be made for mileage in personal vehicles in excess of the one vehicle per four employees. *Employees who receive an assigned vehicle are not eligible to receive reimbursement for mileage, when driving a City vehicle while on travel status.*

6. Authorized Expenditures: The City will pay on behalf of, or reimburse, the traveling employee for registration fees; coach fare airline ticket; gasoline, oil and repairs for City vehicles; mileage for personal auto when authorized; lodging; parking fees; tolls; baggage handling fees; limousine or taxi fares between the airport and the hotel and/or the hotel and the training site; and for City business telephone calls while away from Tuskegee. In addition, a meals per diem of \$40.00 within the State of Alabama and \$50.00 outside the State of Alabama will be authorized for meals that are not provided by the host of the meeting being attended and that are paid for by the employees at his/her own expense. Meals allowed are breakfast, lunch, and dinner. City funds will not be expended to purchase or reimburse traveling employees for snacks, personal supplies or services, entertainment, or alcoholic beverages. Meals included in registration fees will be deducted from the per diem allowance.

- a. Per diem meal allowances for travel within the State of Alabama will be \$6.00 for breakfast, \$12.00 for lunch and \$22.00 for dinner.
- b. Per diem meal allowances for travel outside the State of Alabama will be \$7.50 for breakfast, \$17.50 for lunch and \$25.00 for dinner.

An employee is eligible for the breakfast allowance if

he/she is on travel status before 6:00 a.m.; he/she is eligible for lunch allowance if on travel status during the period of 11:00 a.m. to 2:00 p.m.; and he/she is eligible for the dinner allowance if on travel status during the period of 6:00 p.m. to 8:00 p.m.

Day of Departure

Breakfast allowed if departure is before 6:00 .m.

Lunch allowed if departure is before 11:00 a.m.

Supper allowed if departure is before 6:00 p.m.

Day of Return

Breakfast allowed if return is after 6:00 a.m.

Lunch allowed if return is between 11:00 a.m. and 2:00 p.m.

Supper allowed if return is between 6:00 p.m. and 8:00 p.m.

Forexample:

- i. An employee who departs Tuskegee on approved travel at 7:00 a.m. is not eligible for breakfast.
 - ii. An employee who returns from travel status at 10:45 a.m. is not eligible for lunch.
 - iii. An employee who returns from travel status at 5:30 p.m. is not eligible for dinner.
 - iv. An employee who departs on travel status at 8:30 p.m. is not eligible for dinner.
- d. When travel is to an area of high cost, reasonable actual costs of meals may be reimbursed. High cost area reimbursement must be requested by the traveler and approved, **in advance of the travel**, in writing, by both the department head and the City Manager. If actual cost reimbursement for meals in a high cost area has been approved in advance, **itemized** receipts must be submitted for all meals claimed on the TT-2. Receipts showing only the total meal cost, the

tip amount and the total charged to the credit card are not sufficiently detailed for submission for actual cost reimbursement.

- e. Per diem is not allowable for meals charged to the City credit card account. If the per diem amount exceeds the meal cost charged to the City credit card, the employee will not receive the difference. However, if the meal costs charged to the City credit card account exceed the per diem allowance and advance approval of actual expenditures in a high cost area has not been obtained, the amount by which the meal costs charged exceed the per diem allowance will be reimbursed to the City by the employee via Form TT-2.
- f. Except for per diem reimbursement, authorized expenditures will be made only if substantiated with **itemized** receipts. Appropriate types of documentation for specific travel expenses are listed below:
 - i. Registration fee - documented by publication of the seminar or conference or by invoice.
 - ii. Airline tickets – documented by **itemized** travel agency invoice or online invoice or confirmation.
 - iii. Expense for city vehicles – documented by dated itemized invoice. If gasoline is charged to the City credit card, an **itemized** receipt must be provided, documenting the number of gallons purchased, the price per gallon and the total price paid for fuel, oil, or other vehicle costs.
 - iv. Mileage for personal auto – adjusted for any personal convenience mileage, including that of any accompanying non-employees. Mileage may be based on odometer readings (or by point-to-point mileage as indicated on a current, official road map or computerized trip planning service) and calculated at .485 cents per mile.
 - v. Lodging - cost for the traveling employee as documented by itemized invoice. Reimbursement will be allowed for one brief personal long-distance telephone call per day of lodging. Employees who have City issued cell phones should use their cell phones for long-distance calls.

Entertainment costs (for example, movies charged to the hotel room) are not reimbursable.

- vi. Meals – (including gratuities actually paid, not exceeding 20% cumulatively for the entire trip) substantiated by dated and **itemized** receipt, or, when obtaining a receipt is impractical, hand record showing the restaurant, the date, the time of date, the amount paid and reason for the inability to obtain a dated and itemized receipt. Receipts showing only the total meal cost, the tip amount, and the total charged to the credit card are not sufficiently detailed for submission for actual cost reimbursement. Snacks, personal supplies and services, alcoholic beverages and entertainment are not reimbursable. Meals consumed by persons other than the authorized traveling employee are not reimbursable. An itemized receipt for meals must be submitted with the Form TT-2. Meals are charged to the City's credit card (whether or not charged to the hotel room).
- vii. Parking fees - substantiated by dated receipt.
- viii. Tolls - substantiated by dated receipt.
- ix. Baggage handling fees – substantiated by dated receipt or by hand record showing the date and the amount paid.
- x. For-Fee Shuttle or taxi fees – substantiated by dated receipt or by hand record showing the date, the destination, and the amount paid.
- xi. Telephone calls – documented by **itemized** lodging invoice and/or substantiated by hand record showing the date, the location, the number called, the party called, the purpose of the call, and the cost. Telephone calls charged to the hotel room shall be marked as either business or personal on the itemized hotel room

invoice. For business calls charged to the hotel room, the name of the person or office called must be documented. Employees who have City issued cell phones should use their cell phones for long-distance calls.

- xii. Other expenditures -- documented by dated and **itemized** receipts. Costs of laundry, dry cleaning, medication, toiletries, and other personal expenditures will not be reimbursed.

g. Please note: Cash register tapes, scraps of paper or other reimbursement claims that are not determinable as to the date, the place, and the type of expenditures will be disallowed for reimbursement.

- h. Claims for reimbursement for snacks, personal supplies and services, alcoholic beverages, and entertainment will be disallowed.

7. Other Provisions:

- a. The provisions of this Policy Statement shall not apply to:

- i. Operational, out-of-town trips performed by a City employee using a City vehicle and not requiring overnight absence from the City of Tuskegee, if specifically approved, in advance, by that employee's department head.
- ii. Operational, out-of-town trips by a City employee requiring an overnight absence from the City for a purpose for-which there was not advance notice. In such circumstances (which should be **extremely** rare) when a TT-1 has not been prepared and approved in advance by the City Manager, the travel must be approved in writing by the employee's department head or his or her designee **prior** to the issuance of a City credit card to the traveling employee. If the employee's personal vehicle is to be used for such a trip,

The department manager's or designee's written statement should provide justification for not using a City vehicle. Meal reimbursements for officials and inmates being transported are eligible for compensation, upon approval by City Manager.

- b. Whenever a TT-1 has not been prepared and approved by the City Manager in advance of a City employee's travel on City business for which a City credit card is requested to be issued, the Purchasing Coordinator will document on the City credit card sign-out-in sheet the traveling employee's destination and the purpose of the travel, and a copy of the department head's approval will be attached to the sign-out-in sheet.
- c. Whenever an employee is required to make a payment to the City under the provisions of this policy, payment must be made by either credit card, cashier's check or money order. The City will not accept an employee's personal check under any circumstances.

Attachments:

- Form TT-1
- Form TT-2 (with provisions for documenting travel advances and reimbursements from petty cash)
- Meal Summary Form

FORMS