



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 1 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

I. PURPOSE

This Administrative Regulation establishes the City's fiscal control and oversight authority for all categories of discretionary expenditures. Operational details governing Procurement Cards (P-Cards) are defined in the Department of Procurement Services' [Policy 15 Procurement Card Program](#) ("DPS Policy 15 P-Card"). In the event of any inconsistency between those policies and this Regulation, the provisions of this Regulation shall supersede.

In the course of normal operations and in emergency situations, it is both necessary and prudent to allow reasonable expenditures of City funds by its employees and officials. The City may incur or reimburse reasonable and necessary expenditures made in the best interest of the City for a specific business purpose with appropriate documentation and approval. The purpose of this policy is to provide general guidelines for business expenses, procurement card purchases, business and travel reimbursement, and petty cash expenditures. This Regulation intends to:

- Ensure a clear and consistent understanding of expenditure policies.
- Ensure compliance with federal, state, and local regulations.
- Ensure equitable consideration to both the employee and the City.
- Provide guidelines covering travel and other business expenses, as well as the documentation required for substantiation.

Individuals responsible for incurring and approving expenditures are expected to ensure the best overall value and to assign business-related costs to the City in an ethical and responsible manner.

Accordingly, the primary responsibility for adherence to this policy rests with the individual incurring the business expense, along with the individual ultimately responsible for the budget to which the business expense is to be charged, generally the Agency Head or Department Director.

All travel reimbursements are subject to post-audit review by the Department of Finance to ensure compliance with GSA rate limits and required documentation standards. Employees who use P-Cards for travel must comply with both this Administrative Regulation and DPS Policy 15 P-Card operational requirements.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 2 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

II. APPLICABILITY AND SCOPE

This policy shall apply to all agencies, departments, and employees of the City of Richmond. All expenditures authorized under this policy shall be subject to the availability of funds. All purchases must comply with the applicable laws of the Commonwealth of Virginia, the Richmond City Code, and applicable policies, including but not limited to DPS Policy 15 P-Card. This policy establishes minimum standards which can be supplemented by more stringent policies, laws, or regulations when applicable.

The Chief Administrative Officer or designee may authorize exceptions to the policy by providing a signed acknowledgement, assuming full responsibility for such exceptions.

III. POLICY

A. Permitted Business Expenses Generally

1. The City may incur or reimburse business expenses that are (all are required):
 - a. Reasonable and necessary. For the purposes of this policy, “reasonable and necessary” refers to expenditures that serve a clear business purpose, align with the approved budget, and can withstand both public and audit scrutiny.
 - b. Properly documented, approved, and submitted expenditures.
 2. Accountability. Agency Heads, Department Directors, and Employees are responsible for reporting purchasing, travel, and other business expenses accurately. All staff will ensure travel and business expenses are conducted in the most efficient and cost-effective manner.
- IV. This policy applies to all business expenses proposed to be paid or reimbursed with City funds, regardless of the account to which the expenditures are budgeted or recorded, the type of funding supporting such business expenses, the means of procurement or payment, or whether incurred locally or during official business travel.
- V. To be allowable, an expenditure must serve a lawful public purpose and must be authorized and incurred in accordance with applicable law, appropriations, procurement requirements, and City policies. However, included in the appendix is a list of specific examples of common allowed and



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 3 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

prohibited business expenses. It is recommended that employees review the examples before incurring business expenses.

1. Agency Heads and Department Directors may impose additional or more restrictive requirements for authorizing or approving business expenses.

VI. Any expense rejected by Approving Authorities is the responsibility of the employee and must be repaid promptly if initially paid from City funds.

1. Receipts

- a. All transaction forms and supporting documentation must adhere to [AR 7.2 Virginia Public Records Policy](#).
- b. Itemized receipts are required for all expenditures, except when per diem travel allowances are claimed. Electronic or scanned copies of receipts uploaded to approved City systems (e.g., Works®, Munis Attachments) are acceptable provided they comply with AR 7.2 Virginia Public Records Policy. Expenses submitted without itemized receipts must include written justification to be eligible for approval.

Itemized receipts should include:

- i. Name and address of the vendor.
 - ii. Date of service.
 - iii. Description of service.
 - iv. Amount paid for each individual item.
 - v. Delivery address or place of service.
- c. An expense may not be approved if an itemized receipt is not included.
 - d. Summary billing statements or vendor catalog pages may not serve as substitutes for original itemized receipts unless cardholders cannot obtain copies of lost receipts from



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 4 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

vendors, and the document(s) contain sufficient information to comply with the above documentation requirements.

2. Sales Tax

- a. As a government entity, the City may not be subject to Virginia sales tax. Agency Heads, Department Directors, and Employees should make every effort to avoid payment of Virginia sales tax when the payment method is other than a personal payment method. This applies to Virginia sales tax only. The City may be subject to sales taxes on purchases made in other states.
- b. Departments shall make reasonable efforts to ensure that the City's tax exemption is applied at the point of sale by presenting the official exemption certificate when feasible. Failure to claim the exemption may render the expense non-reimbursable unless written justification is provided. This Section VI.2.b requirement shall not apply in circumstances where an employee is required to use a personal payment method, and the vendor does not accept the City's tax-exempt certificate for individual transactions.
- c. Purchasers should ask out-of-state vendors about the applicability of sales taxes.

3. Authorization and Documentation

- a. All discretionary expenses shall be approved in advance by the Agency Head or Department Director.
- b. Documentation shall include itemized receipts and a written justification of business purpose.
- c. Expenses without proper documentation or justification may not be reimbursed. If a purchase on a government credit card is made without proper documentation, the employee making the purchase shall be responsible for reimbursing the City for the costs. Failure to do so may result in disciplinary action and potential criminal action.

4. Compliance and Oversight



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 5 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

- a. Finance and Procurement Services shall conduct coordinated quarterly audits of discretionary expenditures, travel reimbursements, and P-Card transactions. Departments shall submit corrective action plans within 30 days of receiving audit findings. All corrective actions will be reviewed by the Departments of Finance, Procurement Services, and Human Resources.
- b. The Department of Procurement shall audit discretionary spending using a City P-Card to ensure compliance.
- c. The Department of Finance may audit discretionary spending to ensure compliance.
- d. Violations of this policy may result in denial of reimbursement, repayment of funds, or disciplinary action, up to and including termination.

5. Professional Licenses, Fee, and Membership Dues

Professional licenses, certification fees, and membership dues may be paid or reimbursed by the City when they are required for an employee's job duties or deemed beneficial to departmental operations, subject to prior approval by the Agency or Department Head. Such expenditures may qualify as a working condition fringe benefit under Internal Revenue Code §132. Departments authorizing these payments must coordinate with the Department of Finance to ensure proper tax reporting and compliance with all applicable IRS regulations.

B. Procurement Cards

The City of Richmond's Procurement Card Program provides City-administered purchasing cards as a convenient and cost-effective method for paying business-related expenses, including travel, small purchases, and other approved transactions. P-Card purchases **are subject to the same rules, thresholds, and approval requirements as other procurement methods of similar type and dollar amount.**

A P-Card may be used as a payment method for eligible business expenses, see [Policy 15 Procurement Card Program](#) for established purchase maximums, only after verifying that no applicable contract, cooperative purchasing agreement, or purchase requisition process applies. Departments shall confirm contract availability through the DPS MyCoR site before initiating a P-



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 6 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

Card transaction. The P-Card functions solely as a payment mechanism and shall not be used in place of established procurement or requisition procedures.

The Department of Procurement Services (DPS) maintains the official P-Card Policy which outlines the appropriate and allowable use of P-Cards and defines the responsibilities of Cardholders, Approvers, Proxies, and Program Administrators. Please see DPS Policy 15 P-Card for additional information.

VII. Tax Implications

Employee benefits provided under discretionary spending—such as meals, clothing, gifts, or other recognition items—may constitute taxable fringe benefits under IRS guidelines.

Departments should limit discretionary benefits provided to individual employees to avoid creating taxable income. When a discretionary benefit may constitute taxable income under applicable IRS requirements, departments are responsible for:

1. Tracking participation: Maintaining records of which employees received the benefit (e.g., attended a meal, received a shirt or other item, etc.).
2. Valuing the benefit: Calculating the fair market value of the benefit received by each employee.
3. Reporting: Submitting this information to the Department of Finance – Payroll Division in a timely manner for inclusion on the employee's W-2 as required by law.

Failure to properly track and report taxable fringe benefits may result in audit risk, potential tax liabilities, or disciplinary action. Department heads are accountable for ensuring compliance with these requirements.

VIII. Travel Reimbursement

The City of Richmond will reimburse all pre-approved, legitimate, and necessary expenses incurred while traveling on official City business, provided the requirements outlined in this policy are met. It is the employee's responsibility to acquire written pre-approval for official travel. **If official travel is *not* pre-approved, the city shall not be required to reimburse expenses.** Travel



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 7 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

incurred but not pre-approved may be reimbursed at the discretion of the Chief Administrative Officer.

All travel reimbursements are subject to review and/or audit by the Department of Finance to ensure compliance with GSA rates and required documentation standards. Employees using P-Cards for travel must comply with both this Administrative Regulation and the operational standards outlined in DPS Policy 15 P-Card.

It is the responsibility of each department to ensure that budget requirements are satisfied prior to spending funds for travel. Employees traveling on city business shall obtain authorization from their department's Agency Head or Department Director. Travel authorization forms shall be completed in advance of travel and shall be signed by the Agency Head or Department Director of the traveler's department. It is the responsibility of the traveler and the authorizing official to ensure the best possible rates are obtained when traveling on city business. This includes selecting the most reasonable and cost-effective options for transportation, lodging, and other travel-related expenses. Whenever feasible, the traveler should choose the least expensive travel arrangements that meet the city's business needs without compromising safety or efficiency.

Travel expense accounts are subject to disclosure under FOIA and must be able to sustain the test of public review. Economy, prudence, and necessity are of primary concern when planning and paying for travel. Travel costs should be limited to only those expenses that are necessary for providing essential services to the city's citizens. Further, travelers and travel planners must seek ways to minimize the cost of essential travel.

Allowable expenses for travel include trips outside of the City of Richmond for conferences, conventions, workshops, seminars, educational and training courses, forums, and other business activities related to the administration of municipal government.

The Finance Department is responsible for administering the city's travel procedures contained herein.

1. Travel Authorization



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 **Effective Date:** 09/2026 Page **8** of **24**

Supersedes: TRAVEL POLICY **A.R.:** 6.4 **DATED:** 07/01/2007

- a. All travel shall be approved in advance. The Travel Authorization form will be utilized for travel authorization and travel advances. All travel must be approved in advance, regardless of whether a cash advance is requested.
 - b. Deputy Chief Administrative Officers shall approve travel authorization and travel settlement forms for Agency Heads or Department Directors in their portfolio.
 - c. Agency Heads or Department Directors or their designee shall approve all travel authorizations and subsequent travel settlement forms for employees within their agency.
 - d. The Mayor or their designated Agency Head or Department Director shall approve travel authorizations and travel settlements for the Chief Administrative Officer and mayoral staff.
 - e. The Chief Administrative Officer or their designated Agency Head or Department Director shall approve travel authorizations and travel settlements for the Mayor.
 - f. City Council shall designate a council's office employee (e.g. the Council Chief of Staff) to approve all travel authorizations and travel settlements for City Council members and Council appointees. Prior to granting approval, the designated employee shall consult with the Council President.
 - g. Under no circumstances will any employee be permitted to authorize, review, or approve their own travel authorization or travel settlement form.
2. Payment of Travel Expenses
- a. To the extent possible, all travel expenses that can be pre-paid shall be pre-paid using a City P-card. Example travel expenses that can be pre-paid, list not intended to be exhaustive: train/airfare/rental car, conference/training registration, lodging, etc. The traveling employee shall work with their department for pre-approved travel-related p-card purchases. All P-Card usage should be in accordance with DPS Policy 15 P Card.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 9 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

- b. Reimbursement. Expenses must be reasonable and necessary. The city shall only reimburse individuals traveling on official city business for reasonable and necessary expenses incurred.
- c. Travel reimbursements for the Mayor, Chief Administrative Officer, City Council members, Council appointees, and Agency Heads or Department Directors shall be reviewed by the Director of Finance or designee.

3. Recordkeeping

Travelers must keep receipts and accurate records of all expenses to ensure correct reporting and submission of travel reimbursements, according to requirements for proper documentation.

4. Travel Expense Settlement

- a. Travel expenses shall be reconciled upon return. Travel Expense Settlement Vouchers must be submitted to demonstrate actual travel expenses incurred. Employees should refer to the partner standard operating procedure for this policy for how to submit a travel expense settlement form.
- b. Improperly completed forms will not be processed and will be returned for correction and resubmission.

5. Allowable Expenses

Travel-related expenses that are permitted under this policy may be either paid directly by the City (e.g. via P-Card) or reimbursed to the employee. The following are allowable expenses that may be purchased using public funds.

a. Transportation

- IX. Air and Rail Fare. Airline and passenger rail line travel shall be authorized at **coach/main cabin** fare. The approving authority may only authorize business class travel under any of the following circumstances:



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 10 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

- When it does not cost more than the least expensive available tourist/coach fare.
 - For transoceanic, intercontinental trips involving flight time of more than eight (8) consecutive hours.
- X. If the traveler pays the difference.
- i. **Reimbursement for first-class travel is prohibited.** All travelers/travel planners shall book flights in advance to take advantage of available credits, reduced rates, or discounts to reduce the cost.
 - ii. The City will reimburse for one checked personal bag if the airline charges for baggage.
- XI. City vehicles shall be used whenever practicable for official business. Reimbursement for fuel, parking, tolls, and necessary repairs for city-owned vehicles will be honored with appropriate receipts.
- i. **Privately Owned Automobiles.** If other means of transportation are not feasible or the use of a privately owned automobile better serves the city's purposes, the use of a privately owned automobile may be authorized. Commuting by personal vehicle shall not be utilized if such travel exceeds the cost of normal airfare or other available forms of transportation.

Mileage incurred by a privately owned automobile for allowable business travel shall be reimbursed at the annual mileage rate for privately owned automobiles published by the US Internal Revenue Service (IRS), available at www.irs.gov. If an employee travels directly from home to the business travel related location and not from their regular place of work, they shall only be reimbursed for the portion of the trip that exceeds their usual commuting distance. Commuting mileage and other commuting costs incurred on normal workdays are considered a personal expense and are not reimbursable.

See the table below for example, eligible mileage reimbursement:



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 11 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

Route	Reimbursable Mileage Calculation
Leave from the workplace, travel to the temporary duty location (TDL), and return to the workplace	Round trip mileage from the workplace to the TDL
Leave from home, travel to the TDL, and return home without returning to the workplace	Round trip mileage from home to the TDL, subtracting round-trip mileage for your normal commute to work
Leave from the workplace, travel to the TDL, and return home without returning to the workplace	Mileage from the workplace to the TDL, plus the mileage from the TDL to your home, subtracting mileage for your normal one-way commute to work
Leave from home, travel to the TDL, and return to the workplace	Mileage from your home to the TDL, plus the mileage from the TDL to the workplace, subtracting mileage for your normal one-way commute to work.

Parking and toll fees may also be reimbursed if documented with receipts.

Gas expenses incurred by the traveler are not reimbursable if mileage reimbursement is used.

- ii. **Rental Cars.** The use of rental cars must be approved in advance. Rental car use without prior approval is prohibited. Reimbursement of car rental expenses is limited to official business use only. Justification shall be required when mileage is incurred above the daily limit as set by the rental agency.

Employees requiring a rental vehicle for approved City travel should first contact Procurement Services to determine if there is a City contract available for rental car services, and if available, follow the process of utilizing the existing City contract. If a contract is unavailable or not applicable to the travel circumstances or required vehicle type, travelers may select a commercially available rental option that complies with all other provisions of this policy.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 12 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

Car rentals shall be made through commercial agencies. The traveler or travel planner must select the most economical vendor and vehicle type available and secure any applicable commercial or government discount at the time of rental. Exceptions to vehicle class restrictions may be approved when necessary to accommodate a documented medical condition, disability, ADA requirement, or other extraordinary physical accommodation needs (e.g., exceptional height), provided such exception is approved by the department head or designee in advance when practicable.

In most cases, rental vehicles would only be necessary after reaching the destination of travel. However, for travel initiated from the traveler's base point, the traveler shall determine if it is beneficial for the city to use a rental car in lieu of a personal vehicle or city vehicle for the planned trip. The traveler or travel planner should consider the cost of the rental car, any surcharges, and the cost of fuel for operating the rental vehicle. If this analysis demonstrates that it is cost-effective to obtain the rental car agency policy permits, a rental car may be used.

When booking a rental vehicle, the traveler or travel planner shall ensure that appropriate insurance coverage is included. The traveler or travel planner shall purchase both **collision damage waiver (CDW)** and **liability insurance coverage**. It is the responsibility of the traveler or planner to confirm coverage in advance of travel.

Rental vehicles shall be refueled before returning to the rental agency to avoid fueling surcharges. The traveler should not enter into a "Fuel Agreement" or pay for fuel at the time of rental. In the event the traveler cannot abide by this rule, justification shall be required for expense reimbursement.

b. Lodging

Lodging shall be prepaid when an individual is traveling overnight on official city business outside their official station.

The City of Richmond has adopted the In-State and Out-of-State lodging rates published by GSA (www.gsa.gov). Lodging expenditures shall be necessary and reasonable.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 13 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

All travelers shall inquire about and confirm availability of current government lodging rates for the overnight location both at the time of reservation and at check-in. Reimbursement for lodging is limited to actual expenses incurred up to the applicable government rate, plus hotel taxes and surcharges. The traveler's Deputy Chief Administrative Officer delegates signature authority and initial review to the traveler's Department Director for exceptions **up to** 50 percent over the government rates, and the Director of Finance for exceptions **over** 50 percent of the government rates. Justification shall be required that lodging at the government rate was unavailable.

Travelers are personally responsible to cancel hotel rooms when travel plans change. Lodging charges for non-canceled reservations shall not be reimbursed if the traveler fails to cancel the reservation.

c. Meals and Incidental Expenses

Meals and incidental expenses (M&IE) per diem rates will be based upon GSA guidelines and can be accessed at www.gsa.gov. The per diem rates must correspond to the temporary duty and/or overnight lodging location. Travelers receive only 75% of the applicable M&IE rate on their departure day and return day. This applies whether travel lasts multiple days or falls between 12 and 24 hours total. Full days in between are reimbursed at 100%.

Incidental expenses include fees and tips given to porters, baggage carriers, hotel staff and staff on ships

Additional charges outside the GSA M&IE rate for room service are not reimbursable.

Tips are included in the per diem and are not reimbursable.

For foreign travel, the federal per diem rates will apply. The rates are published monthly and are available on the internet at www.state.gov.

Alcoholic beverages shall not be reimbursed.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 14 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

P-Cards shall not be used to pay for meals and incidental expenses during business and professional development travel. Exceptions must be approved by the Director of Procurement Services.

d. **Business Meals**

The cost of business meals may be reimbursed in full if properly documented. Business meals must involve a substantive and bona fide business discussion and purpose. Meal tips shall not exceed 20% of the pre-taxed meal expense. Excess tips shall not be reimbursed. Exceptions in meal expense shall be justified and approved by the Agency Head or Department Director and are subject to approval by the traveler's Deputy Chief Administrative Officer at the discretion of the Director of Finance. The approving authority must approve business meals in advance. Reimbursement of expenses submitted without prior approval is at the discretion of the approving authority.

e. **Overnight Stays**

Meals and certain incidental travel expenses are reimbursable on a per diem basis for **overnight** official business travel outside the traveler's official station. When meals are included with registration or lodging expenses as part of a package, the number and type of meals (breakfast, lunch, dinner) must be recorded and per diem reduced by the appropriate allowance amount.

If a meal is offered as part of a conference and the traveler has medical restrictions, the traveler should make every effort to have the conference facilitate their needs by the deadline specified by the conference. If the conference does not honor the request, the traveler is not required to deduct the applicable meal allowance from the per diem. However, the traveler must include a note or other documentation with the Travel Settlement Voucher documenting this information.

f. **Same Day Travel**

When the traveler is not staying overnight and traveling more than 12 hours but less than 24 hours, the per diem rate is 75% of the applicable M&IE rate for each calendar day of



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 15 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

the business trip. Typically, unless the meal can be certified as a business meal, it is not an allowable expense.

g. **Telephone/FAX/Internet Access**

Telephone, FAX charges, and internet fees related to city business will be reimbursed. Appropriate documentation, including the parties and numbers involved and the reason for the call/access is required.

h. **Registration Fees and all Prepaid Items**

Prepaid registration fees for conferences, seminars, etc., that were paid in advance may be reimbursable if not purchased on a City P-Card.

2. Prohibited Expenses

Prohibited expenses are those travel expenses that shall not be purchased using public funds. Examples of prohibited expenses are, but are not limited to, the following:

- a. Loss of personal funds or property while traveling, including damage to personal vehicles.
- b. Alcoholic beverages and other personal consumption not required for official City business.
- c. Personal expenses or recreational activities unrelated to official travel (e.g., entertainment, fitness facilities, or similar activities).
- d. Optional or discretionary travel services, including travel insurance, upgraded seats, premium seats, priority seat selection, exit row seating, lounge passes, airline club memberships, early bird check-in, and other fees and conveniences, will not be reimbursed. Exceptions are at the discretion of the Department Director and are subject to approval by the traveler's Deputy Chief Administrative Officer and or the Director of Finance.

XII. Expenses incurred on behalf of spouses, companions, or other non-authorized travelers.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 16 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

- a. Charges resulting from personal negligence or avoidable circumstances (e.g., fines, parking violations, vehicle lockout or towing charges, or rental vehicle refueling charges).
- b. Personal convenience services or costs not required for official travel, including dry cleaning, mileage to and from meals, or valet parking when self-parking is available.

2. Travel Involving Multiple Employees

Where it is determined that a seminar, workshop, or training program is essential to staff development for five (5) or more employees, the agency/department shall investigate the option of bringing the trainer onsite instead of authorizing employees to travel to an offsite location. The agency shall document the comparative cost of an on-site session and retain such documentation on file with the agency's travel records.

The agency shall also explore the practicality of fulfilling the desired staff development goals through the use of studio and video teleconferencing, where these options may be cost effective. In selecting locations for meetings, agencies shall give first preference to city owned facilities. For meetings of policy, advisory or supervisory boards, the selection of a meeting site should reflect the policy that a public body conducting public business shall take care that public funds are expended prudently.

3. Audits

The Finance Department will review all employee travel documentation for compliance. Expenses that are determined not to be in accordance with this policy, or are considered excessive, may be adjusted and reversed by the Director of Finance or designee. The city recognizes that a policy cannot be written to address all possible expenses or situations that may arise while traveling. Therefore, anyone traveling on city business must use sound judgment and adhere to high ethical standards.

B. Petty Cash

1. The Petty Cash account is for reimbursement of small out-of-pocket expenses and should only be used when issuing a check would be too expensive and time-consuming. Petty Cash cannot be disbursed in advance of a purchase.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 17 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

XIII. Petty Cash accounts should be used only in the event that other forms of payment, such as a P-card, are unavailable or impractical.

1. Petty Cash accounts shall be reconciled each month as part of the month-end closing of the City's financial records.
2. Requests for reimbursement cannot exceed \$50.00.
3. Reimbursement will be made only when itemized receipts are attached to the Petty Cash Reimbursement Form.
4. Receipts must not be artificially divided in order to circumvent the maximum dollar limit.
5. No one person shall hold multiple receipts for different days or accumulate receipts over an extended period of time.
6. Requests exceeding 45 calendar days will not be reimbursed.
7. **Travel Reimbursements shall not be done through Petty Cash.**

XIV. ROLES AND RESPONSIBILITIES FOR BUSINESS EXPENDITURE OVERSIGHT

A. Department of Procurement Services

Primary role: Policy alignment and procurement guidance.

1. Assist agencies and departments with discretionary spending as it relates to the City's broader procurement policies and applicable laws.
2. Ensure DPS Policy 15 P-Card aligns with AR 1.10 Expenditure Policy.
3. Provide guidance on appropriate purchasing methods (e.g., small purchases, P-cards, or competitive procurement), even for discretionary items.
4. Maintain and share approved vendor lists to support discretionary spending.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 **Effective Date:** 09/2026 Page **18** of **24**

Supersedes: TRAVEL POLICY **A.R.:** 6.4 **DATED:** 07/01/2007

5. When applicable, collaborate with the Department of Finance to flag any spending patterns that may warrant closer review or formal procurement action.

B. Department of Finance

Primary role: Financial control, compliance, and reporting.

1. Review submitted reimbursement requests and procurement transactions for compliance with AR 1.10 Expenditure Policy.
2. Ensure documentation (e.g., itemized receipts, business purpose) is complete and expenses fall within allowable categories.
3. Process approved reimbursements or payments in accordance with City accounting procedures.
4. Conduct periodic audits of discretionary spending across departments.
5. Maintain records and generate reports to monitor spending trends and identify potential misuse or inconsistencies.
6. Collaborate with the Department of Human Resources and the Department of Procurement Services to ensure policy training and accountability.

C. Departments and Agencies

Primary role: Expense initiation, justification, and documentation.

1. Ensure all discretionary expenditures are reasonable, necessary, and tied to official City business.
2. Obtain prior approval from the Agency Head or Department Director when required.
3. Retain and submit itemized receipts, participant lists (if applicable), and written justifications with every expense.
4. Follow all procurement guidance provided by the Department of Procurement Services.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 19 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

5. All employees shall follow the City Code, Chapter 21, Article VIII Ethics in Public Contracting.
6. Monitor internal spending to avoid prohibited expenses such as alcohol, excessive tipping, or personal items.
7. Designate a department point of contact to serve as liaison with the Department of Finance and the Department of Procurement Services for discretionary purchases.

XV. RESPONSIBILITY

Approving Authority - The person approving the travel; this person may be an Agency Head, Department Director, or designee.

Director of Human Resources – The Director of Human Resources is responsible for reviewing violations of this policy and recommending appropriate disciplinary action.

Department of Human Resources (HR) – HR is responsible for oversight and administration of this policy. HR, in coordination with the Department of Finance and the Department of Procurement Services, shall make available all necessary procedures and forms to departments and employees and provide guidance when questions arise.

Department of Finance – Financial control, compliance review, reimbursement processing, audit oversight, reporting on discretionary spending, and coordination with HR and Procurement on policy adherence.

Department of Procurement Services – Procurement policy alignment and guidance for discretionary spending, including purchasing methods, P-Card use, approved vendors, and coordination with Finance on potential compliance issues.

Department Head(s) – Ensure all discretionary expenditures are reasonable, necessary, and tied to official City business.

Employee – Employees are responsible for abiding by the requirements and processes of this policy.

XVI. DEFINITIONS



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 20 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

Audit Finding – Any instance of noncompliance, deficiency, or deviation identified during a financial or operational audit.

Availability of Funds – The exact amount of money in a budget account that is accessible for immediate use.

Commuting Mileage – Round-trip mileage traveled routinely by the employee between their residence and base work location.

Discretionary Expenditure – Non-mandatory spending that supports employee engagement, professional development, or business hospitality, consistent with the City’s mission and approved budget authority.

Official Station – An employee’s official station is within 50 miles of the employee’s main place of work.

Per Diem – Is an allowance for lodging, meals, and incidental expenses paid to an employee to cover costs incurred while on a city-sanctioned business trip.

Personal Expenses – Costs incurred for an individual’s private benefit that are not directly related to official City business, do not serve a documented public purpose, and are not necessary to conduct authorized City operations or travel.

Public Scrutiny Test – A standard requiring that expenditures be reasonable, defensible, and appropriate if disclosed to the public.

Reasonable Expense – An expenditure that reflects customary rates for comparable goods or services and can withstand public and audit scrutiny.

Temporary duty location – Employee’s temporary workplace of assignment.

Workplace – Employee’s main place of work.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 21 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

XVIII. REGULATION UPDATE

Modifications to this Administrative Regulation shall be coordinated by the Department of Finance, in consultation with the Department of Human Resources and the Department of Procurement Services, and under the advisement of the Chief Administrative Officer.

Approval

Signed by:
Odie Donald
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10/3/2026

CHIEF ADMINISTRATIVE OFFICER

MAYOR



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 22 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

XIX.Appendix

A. Examples of Allowable Expenses

Allowable discretionary expenses shall be reasonable, necessary, and directly related to official city business.

The following categories are considered generally allowable when properly authorized and documented in accordance with this Administration Regulation:

1. Meals and Business Hospitality

- a. Meals with a clear business purpose (e.g. meetings with external partners, interview candidates, etc.).
- b. Expenses exceeding per diem rates established by the U.S. General Services Administration (GSA) shall not be reimbursed.
- c. Tipping is allowed up to 20% of the *pre-tax* meal total.
 - i. Group dining requires itemized receipts and a list of attendees.

2. Professional Development

- a. Registration fees for relevant conferences, trainings, or webinars.
- b. Associated lodging and meals may be reimbursed according to this policy.

3. Professional Licenses, Fees, Membership Dues

- a. Charges for professional licenses, certification fees, and membership dues shall be allowable discretionary expenses only when they are directly related to the employee's current job responsibilities or support the operational needs of the department. This includes individual professional memberships as well as department-wide memberships, certifications, or accreditations required to maintain eligibility, compliance, or recognition within a professional or regulatory body.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 23 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

- b. All such charges shall require prior approval from the Agency Head or Department Director and shall only be incurred when an adequate budget exists to support the expense.

4. Employee Recognition and Morale

- a. Official Recognition. Modest expenditures for official employee recognition may be made when authorized by this policy.
- b. Employee Service Awards. The Department of Human Resources may fund and administer one Citywide employee service awards program annually from its approved budget.
- c. Staff Appreciation and Teambuilding Events. City funds shall not be used for departmental parties, staff appreciation events, or teambuilding events. Employees may fund such events through personal contributions. The Chief Administrative Officer may approve an exception in writing when the expenditure serves an appropriate City business purpose.

5. Bereavement recognition

Bereavement recognition shall be in the form of flowers only. Recognition is appropriate only for bereavement events involving immediate family members, as defined in the City's Bereavement Leave provisions under AR 4.8 Leave Policy.

6. Break room appliances

Breakroom appliances such as refrigerators, microwaves, and toasters are allowed as long as the break room is open to all employees at the location.

7. Employee Clothing

At the discretion of the Department Director, departments can purchase clothing (with the City department's approved logo) annually. This category excludes uniforms.

Exceptions require written approval from the Department Director or Agency Head or designee.



Administrative Regulations

Office of the Mayor

Title: EXPENDITURE POLICY

A.R. Number: 1.10 Effective Date: 09/2026 Page 24 of 24

Supersedes: TRAVEL POLICY A.R.: 6.4 DATED: 07/01/2007

B. Examples of Prohibited Expenses

The following expenditures are not allowable under any circumstances:

1. Alcoholic beverages.
2. Tobacco products.
3. Personal items (e.g. toiletries, clothing, entertainment, fuel for personal vehicles, gas, service, maintenance, or parts for personal vehicles, etc.).
4. Expenses for family members or guests.
5. Political contributions or lobbying.
6. Cash advances or personal loans.
7. Tips exceeding 20% of the pre-tax total.
8. Gift cards.
9. Lavish, excessive, or nonessential spending:
 - a. Items or services that are disproportionately expensive relative to their intended purpose.
 - b. Goods or services for which there is no documented operational need.
 - c. Expenditures that would not withstand public or audit scrutiny.