

133.3 SUBJECT: REIMBURSABLE EXPENSES

- :1 OBJECTIVE:
Provide rules governing reimbursable expenses for consultants and other contractors.
Ensure that limitations are fully understood.
- :2 AUTHORITY:
This procedure amended by City Council October 27, 1997.
- :3 DIRECTION:
Chief Administrative Officer, as an appointed official, serves at the pleasure of, and receives direction from the Mayor.
- :4 METHOD OF OPERATION
- A. Dollar Limits Identified by Task
Consultant agreements and other contracts should include strict upset limits (not estimates) for reimbursable expenses. Dollar limitations should be identified by task.
 - B. Definition of Reimbursable Expenses
Reimbursable expenses are defined as actual out-of-pocket expenses necessary in the performance of a contract. Contracts should not provide for reimbursement of traditional business operating expenses, but not limited to, computer time, word processing time, and minor copying. Contracts should not provide for reimbursement of expenses which could be categorized as "entertainment." Any reimbursement of business operating expenses or "entertainment" expenses requires advance written approval of the Mayor or CAO. "Entertainment" expenses shall include sporting events, theatrical productions, concerts and similar activities, but do not include breakfast, lunch or dinner.
 - C. Reasonableness of Expenses
Consultant agreements and other contracts should state that payment of reimbursable expenses will only be made for reasonable actual expenses.
 - D. Advanced Approval For Consultant or Contractor Travel
The Project Manager or other City official as specified in the contract (hereinafter, "City official") should require the consultant to submit travel itineraries for advance approval. For ease of invoice review, the Project Manager or City official should assign a Trip Number at this time which the consultant will use to document all receipts submitted for reimbursement of travel expenses.
 - E. Specific Travel Expense Limitations for Consultants and Other Contractors
Consultant agreements or contracts should include provisions consistent with City Policy for employee travel, as follows:

1. **Airline Travel**
All travel should be by economy or tourist class, at the lowest fares obtainable.
2. **Car Rentals**
Car rentals should be small or mid-sized cars, arranged at the most economical rate. The City will not reimburse for car rental insurance.
3. **Lodging**
Expenses may vary but should be reasonable. Government rates should be requested whenever possible. In Orlando, the Project Manager or City official should be contacted to obtain local government rates at nearby hotels.
4. **Meals**
Reimbursement for meals in Orlando and for travel to major cities (a list of which is maintained by the Accounting and Control Bureau) should be based on the actual cost of each meal not to exceed the following:

Breakfast	\$ 6.00 includes tip & tax
Lunch	\$ 9.00 includes tip & tax
Dinner	\$15.00 includes tip & tax

Reimbursement for non-major cities should be based on actual cost, not to exceed the following:

Breakfast	\$ 5.00 includes tip & tax
Lunch	\$ 7.00 includes tip & tax
Dinner	\$13.00 includes tip & tax

In cases where the traveler did not find it necessary to spend the night out of town, but was unable to return home by 7:00 p.m. in time for dinner, reimbursement will be allowed for the evening meal. Similarly, when the traveler finds it necessary to leave home before 7:00 a.m., reimbursement for breakfast would be in order.

5. **Gratuities**
Gratuities (tips) are recognized as a legitimate part of the cost of travel and a proper charge against the City when such expenses are necessary. All payments of this type should be kept to a minimum.
6. **Telephone Calls**
Necessary telephone calls may be claimed on the reimbursement voucher. In the case of tolls against the hotel bill, the points and parties between which the calls were made must be stated on the voucher with the reason they were made. If out of town travel extends three (3) days or more, one 3 minute personal call home is

allowable for reimbursement. No other personal calls are reimbursable.

- F. Alcoholic Beverages
Reimbursements for alcoholic beverages are strictly prohibited.
- G. Local Travel
Travel between locations within Orange County may be reimbursed, but only up to the maximum rate allowed by the Internal Revenue Service.
- H. Subcontract Services
Reimbursement is permitted for subconsultant services rendered in support of the scope of work. Fees paid for such services shall be according to the same terms and priorities identified herein. No surcharge will be payable to the prime consultant for reimbursable expenses incurred by subcontractors.
- I. Review of First Invoice
A formal, thorough review of the first invoice submitted for payment should be made with the consultant's or contractor's representative.
- J. Invoice Approval and Signature
The Project Manager or City official should sign each invoice indicating approval. The contract payment should not be released prior to this approval.
- K. Expense Documentation
The Project Manager or City official should request legible receipts from the consultant or contractor and explanatory details sufficient to explain the reason for the expenditure and its relationship to the contract task. Where appropriate, Travel Expense Reports should be submitted with associated receipts.
- L. Questionable Reimbursed Costs
Expenses that have been reimbursed to the consultant but are deemed questionable by the Project Manager or City official after the fact, should be reviewed with the consultant or contractor and additional supporting documentation obtained. Any unjustified amounts should be returned to the City with interest at 1% per month.
- M. Procedure for Reimbursement
The City's Invoice format should be used by contractors and consultants for each task for submission of that task's reimbursable expenses.

:5 FORMS:
Reimbursable Expense Form and/or other appropriate expense forms.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:
This procedure adopted by City Council March 26, 1990, October 27, Item 2A-34;
amended June 14, 1993, Item 4-Q; amended July 24, 1995, Item.7-U; amended
October 27, 1997, Item 5-DD.

:8 EFFECTIVE DATE:
This procedure effective October 27, 1997.