



DEPARTMENT OF EMPLOYEE RELATIONS

Administrative Guidelines

April 26, 2010

Automobile and Travel Allowance for Management Pay Plan Employees

— Summary —

Attached are the new administrative guidelines regarding Automobile and Travel Allowance for Management Pay Plan employees. These guidelines provide direction to City departments in relation to eligibility requirements, the verification process, and reimbursement requests for positions in the Management Pay Plan.

Automobile and Travel Allowance for Management Pay Plan Employees

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Overview of Changes

Common Council File #091283 approves various changes to the automobile allowance for Management Pay Plan (MPP) employees. Changes include the elimination of a base rate, establishing the Internal Revenue Service (IRS) standard mileage rate as the reimbursement rate, and elimination of the provision that gave certain managers an automobile allowance equal to that granted to subordinate bargaining employees. The IRS mileage rate for 2010 is \$.50 per mile. Under this same file the Department of Employee Relations, with assistance from the Comptroller's Office and the Department of Public Works, was directed to develop citywide administrative guidelines regarding automobile allowance for MPP employees.

Since travel allowance is closely related to automobile allowance these guidelines cover both automobile allowance and travel allowance for MPP employees. In the Milwaukee Code of Ordinances automobile allowance is covered under Section 350 – 183 (Private Transportation Reimbursement) and travel allowance is covered

under Section 350 – 181 (Authorized Travel Regulations and Procedures). Under Section 350 – 181 (6) (a) (2) (travel allowance) it states “If a personal automobile is used, reimbursement shall be in accordance with s. 350-183” (auto allowance). Therefore, in changing the reimbursement rate for automobile allowance for MPP employees in Section 350-183 the reimbursement rate for travel allowance for MPP employees was also changed.

Introduction

Under all circumstances Department Heads and employees in the MPP shall strive to minimize costs associated with travel and auto allowance benefits by limiting driving when possible and making efficient use of time and schedules when planning, coordinating, and attending work related functions.

Many MPP employees use their personal vehicle to occasionally drive on City business without any reimbursement. Other MPP employees holding positions that require the use of a personal automobile on city business on a regular and on-going basis may be eligible for reimbursement as provided under Section 350-183 (auto allowance). In a limited number of cases, some MPP employees are assigned a City car for daily use on City business and a few are allowed to commute to and from work. These positions may have significant field responsibilities, or be assigned to snow and ice management and supervision, 24/7 on call responsibility, or an isolated occurrence or event that is approved by the Division Manager to achieve efficiency.

MPP employees who are in positions that are not eligible for automobile allowance and are not assigned a City car may be required on a temporary or intermittent basis to attend meetings, conferences, or other activities that require a significant amount of driving within the City or out of state and may involve staying overnight. These MPP employees should consider using a DPW pool car, if available and feasible, or a rental car; or applying for travel allowance reimbursement as provided for under Section 350-181. MPP employees should use a CBP-211 form (Statement of Expenses Incurred for City of Milwaukee) when applying for travel allowance reimbursement.

MPP employees in positions that are eligible for monthly automobile allowance shall separate miles incurred for travel outside of regular job responsibilities and process these requests under travel allowance rather than automobile allowance. This practice will help to determine how much the City is spending on each type of mileage.

As the cost of using a pool car or rental car may be less expensive to the City than reimbursing an employee for miles driven, Department Heads must determine when it is appropriate to require MPP employees to use a pool car or rental car. Factors to be considered include location, individual needs of the MPP employee, security and safety issues, and other specific circumstances of the event.

AUTOMOBILE ALLOWANCE

Eligibility

1. Authority

Under Section 350-183 (1) "Proper city officers are authorized to reimburse city officials and employees occupying positions designated in the Positions Ordinance as being eligible to be paid for the use of their private automobile on city business when at the discretion of the Department Head it is necessary that such automobiles be used on City business." In the Positions Ordinance an "X" follows those positions that are authorized for monthly automobile allowance. This requirement should be listed on the job description.

2. Criteria

In determining whether a position should be eligible for automobile allowance a Department Head shall use the following criteria.

- a. It is estimated that the MPP employee in this position will need to drive a significant amount of miles per month on a regular basis on City business. (Examples include inspection and enforcement related supervisors and Health Coordinator positions that visit different sites and attend community meetings.)
- b. That the need for the MPP employees to drive on City business is permanent and regular and not temporary and intermittent. (Examples of temporary or intermittent use include attending an occasional seminar or convention)

3. Review Process

City Departments shall review the positions in their Department that have automobile allowance on an annual basis to make sure they meet the above criteria. These criteria will be added to the form regarding insurance coverage and will be signed off by the immediate supervisor and the Department Head or designee.

Verification Process

1. Valid Driver's License

MPP employees shall carry a valid driver's license with them at all times if they are receiving auto allowance or when receiving travel allowance for use of a private vehicle or using a pool car. This valid driver's license must be shown upon demand by the Department Head or designee, immediate supervisor, garage attendant for pool cars, or any other city official. It must also be reviewed by the immediate supervisor

and Department Head or designee on an annual basis. When a MPP employee enters and approves their monthly auto allowance on the online program "CityTime" to certify the amount of mileage, they are also certifying that they have a valid driver's license that is not revoked or suspended.

2. Insurance

MPP employees who receive automobile allowance shall, on an annual basis, fill out and submit a revised CBP-138 form (Information Sheet for Private Automobile Allowance) that includes information regarding automobile insurance for their private vehicle. Under Section 350 – 183 (5) the employee "shall have at least the minimum insurance coverage prescribed by state law and shall have declared the use of his (or her) automobile on city business to his (or her) insurance company to protect the city's interests." This form shall also include the number of miles driven in the past year, and state that the position continues to meet the criteria to be eligible for automobile allowance and that the MPP employee in the position has a valid driver's license. The form shall be reviewed and signed by the MPP employee's immediate supervisor and the Department Head or designee.

Reimbursement Request

1. Administrative Issues

Under Section 350 – 183 (3) "The authorized employee or official incurring mileage on his (or her) private automobile in the conduct of official business for the City of Milwaukee shall submit a record of mileage incurred on city business during the month and attest to the accuracy of such mileage on a form approved by the City Comptroller." Employees now use the online program "CityTime" to submit and approve this information. The Comptroller's Office has provided a specific time table for entering the data and for approval by the Department Head or designee. The applicable rate for mileage is the IRS travel reimbursement rate which is \$.50 per mile for 2010.

2. Employee Responsibility

It is the MPP employee's responsibility to submit a complete and accurate record of mileage and separate personal miles from miles for city business. The MPP employee must also maintain a valid driver's license and immediately report any suspension or revocation. He or she must also obtain insurance for his or her private automobile as described above under "Insurance" and provide proof of the license and insurance to his or her immediate supervisor and department head or designee when requested. A MPP employee is also responsible to perform his or her duties to the best of their ability, use their automobile in an efficient and effective way, and look for ways to minimize mileage and reduce costs for the City.

3. Supervisor's Responsibility

It is the supervisor's responsibility to review and analyze submitted electronic and paper records, including mileage reimbursement requests, for substantial deviations and to ensure that they are consistent with the MPP employee's activities and payroll records. They shall also guide and direct the work of their MPP employees while ensuring that they use their automobiles in an efficient and effective way; look for ways to minimize mileage and reduce costs for the City; and assess on at least an annual basis whether a position continues to meet the criteria for auto allowance.

4. Department Head Responsibility

It is the Department Head's responsibility, or their designee, to create and administer department protocols for administering automobile allowance and ensuring that they comply with the Milwaukee Code of Ordinances and these administrative guidelines. The Department Head or designee shall also identify and address any problems that may arise. Further, he or she shall also review submitted electronic and paper records, including mileage reimbursement requests, for substantial deviations and to ensure that they are consistent with the MPP employee's activities and payroll records; guide and direct the work of their MPP employees while ensuring that they use their automobiles in an efficient and effective way; look for ways to minimize mileage and reduce costs for the City; and assess on at least an annual basis whether a position continues to meet the criteria for auto allowance.

5. Comptroller's Office Responsibility

It is the responsibility of the Comptroller's Office to review all submitted forms and electronic data; and approve payment as appropriate.

TRAVEL ALLOWANCE

Eligibility

1. Authority

The use of travel allowance must be authorized by a Department Head or designee before any reimbursement may be made. Under Section 350 – 181 (1) (c) "Other city business travel" is defined as "travel to attend a seminar or other travel which is undertaken by a city official or employee in order to carry out duties devolving on a department or agency, which have been assigned thereto by the city charter, code or resolution of the common council or at the request or direction of the mayor. Training courses funded by department appropriation which require out-of-city travel also fall within this category."

“Seminar” is defined in 1 (d) as “a training course provided by a person or agency who is not an employee, department or agency of the city. The location at which the course is offered can vary from as local as city hall or as far away as the continental boundaries of the United States. It **may** include courses covered by “**on City time**” use of the city’s tuition reimbursement program, training commonly referred to as “on-the-job training” and training courses funded by a departmental budget appropriation provided for training purposes.” (Changes in **bold** indicate proposed changes to the Milwaukee Code of Ordinances to reflect the current practice)

Under Section 350 – 183 (9) “EXCEPTIONS. Employees or officials who make occasional, nonroutine, trips outside the city on official business, but who are not specifically authorized by title in the positions ordinance to be reimbursed for private automobile mileage incurred on city business shall be covered by the following provisions:”

“City Officers are authorized and directed, upon presentations of properly certified statements to reimburse employees or officials for properly authorized travel at the rates specified in subsection 7” (some exceptions are listed in the Code of Ordinances)

An MPP employee who is in a position that is eligible to have automobile allowance shall use automobile allowance for travel related to regular job responsibilities and either use a pool car, a rental car, or be reimbursed through travel allowance for use of their personal automobile for travel outside of regular job responsibilities.

MPP employees who are not eligible for automobile allowance shall use a pool car, a rental car, or be reimbursed through travel allowance for use of their personal automobile for travel. Department Heads will make the final determination and will consider factors such as location, individual needs of the MPP employee, security and safety issues, and other specific circumstances of the event.

2. Criteria

A department head or designee may authorize any MPP employee to drive and be reimbursed through travel allowance for a training course or “to attend a seminar or other travel which is undertaken by a city official or employee in order to carry out duties devolving on a department or agency, which have been assigned thereto by the city charter, code or resolution of the common council or at the request or direction of the mayor” subject to the limitations listed above.

Verification Process

1. Valid Driver's License

MPP employees shall carry a valid driver's license with them at all times when receiving travel allowance for use of a private vehicle or using a pool car. This valid driver's license must be shown upon demand by the Department Head or designee, immediate supervisor, garage attendant for pool cars, or any other city official.

2. Insurance

MPP employees who receive travel allowance for use of a private vehicle shall have automobile insurance for their private vehicle. They shall have at least the minimum insurance coverage prescribed by state law. It shall be the responsibility of his (or her) department head to determine that the employee is adequately covered by such insurance before he or she approves the use of a private vehicle on city business and reimbursement for such use.

Reimbursement Request

1. Administrative Issues

Under Section 350 – 181 (6) a-2 the City shall pay or reimburse “for actual expense incurred and reported by the attendee up to but not exceeding round trip airline coach fare...” As the cost of using a pool car or rental car may be less expensive to the City than reimbursing an employee for miles driven, Department Heads must determine when it is appropriate to require MPP employees to use a pool car or rental car. Factors to be considered include location, individual needs of the MPP employee, security and safety issues, and other specific circumstances of the event. MPP employees should fill out the CBP-211 form (Statement of Expenses Incurred for City of Milwaukee). The applicable rate for mileage is the IRS travel reimbursement rate which is \$.50 per mile for 2010.

2. Employee Responsibility

It is the MPP employee's responsibility to submit a complete and accurate record of their costs related to travel allowance, maintain a valid driver's license and obtain insurance for his or her private automobile as described above under “Insurance” and provide proof of the license and insurance to his or her immediate supervisor and department head or designee. The MPP employee is also responsible to perform his or her duties to the best of their ability, use their automobile in an efficient and effective way, and look for ways to minimize mileage and reduce costs for the City.

3. Supervisor's Responsibility

It is the supervisor's responsibility to verify the license and insurance requirements on at least an annual basis. The supervisor shall also review and analyze submitted records for substantial deviations from what has been previously reported or is reasonably expected and ensure that they are consistent with employee activities and payroll records. They shall also guide and direct the work of their MPP employees while ensuring that they use their automobiles in an efficient and effective way; and look for ways to minimize mileage and reduce costs for the City.

4. Department Head Responsibility

It is the Department Head's responsibility, or their designee, to create and administer department protocols for administering travel allowance and ensuring that they comply with the Milwaukee Code of Ordinances and these administrative guidelines. The Department Head or designee shall also identify and address any problems that may arise. Further, he or she shall also verify the license and insurance requirements on at least an annual basis; review submitted records for substantial deviations and ensure that they are consistent with MPP employee activities and payroll records; guide and direct the work of their MPP employees while ensuring that they use their automobiles in an efficient and effective way; and look for ways to minimize mileage and reduce costs for the City.

5. Comptroller's Office Responsibility

It is the responsibility of the Comptroller's Office to review all submitted paperwork and forms; and approve payment as appropriate.

Conclusion

The City has other rules and restrictions related to automobile and travel allowances. For more information please see Section 350 – 181 (Authorized Travel Regulations and Procedures) and Section 350 – 183 (Private Transportation Reimbursement) in the Milwaukee Code of Ordinances.