

# City of Bellingham Policy

**Title:** PAYING FOR MEALS AND INCIDENTAL BUSINESS EXPENSES

**Code:** FIN 18.01.01  
**Chapter:** Financial Management  
**Level of Policy:** Administrative  
**Date Issued:** October 1, 1976  
**Date Revised:** July 1, 2003  
**Revised by:** Therese Holm, Finance Director  
Gary Smalling, Accounting Manager  
**Developed by:** Lynn Carpenter, Finance Director  
**Approved By:** Mark Asmundson, Mayor

Cancels:

See Also:

FIN 08.00.04, PURCHASING CARD  
FIN 18.00.01, PAYING TRAVEL EXPENSES  
PER 15.05.01, RECOGNIZING EMPLOYEES THROUGH EVENTS AND AWARDS  
FORM: Check Requisition Request  
Washington State Constitution Article VIII, Sections 5 & 7, CREDIT NOT TO BE LOANED  
RCW 42.24.090, REIMBURSEMENT CLAIMS BY OFFICERS AND EMPLOYEES  
Washington State Attorney General Memorandum Dated May 14, 1987

## Purpose

This policy establishes guidelines for eligibility and payment of expenditures for meals, snacks and incidental expenses not related to out-of-town business travel or employee recognition activities.

## Scope

This policy applies to all employees, elected officials of the City of Bellingham, members of City Boards, Commissions and volunteers, excluding consultants, except as specifically authorized by contract.

## Policy/Conditions

### **1. City Pays Reasonable and Necessary Meals and Incidental Expenses**

We pay for business meal expenses only when:

- Reasonable and necessary
- Directly related to the conduct of City business
- Consistent with state law
- Related to a City of Bellingham public purpose
- Amount is reasonable to achieve the intended purpose
- There is adequate, itemized documentation for the expenditure
- Approved by the Department Head or other authorized authority.

### **2. City Does Not Pay For Certain Expenses**

We will not pay or reimburse costs for:

- Liquor or tobacco
- Spouses of staff attending a business event
- Regular or routine staff meetings

- Staff lunches that are primarily social in nature
- Staff lunches that could be conducted during normal work hours
- Birthday parties
- Prize drawings
- Greeting cards or flowers purchased for employees
- Payment of parking tickets, traffic citations, fines or penalties.

**3. Finance Director Administers Policy**

The Finance Director

- Develops and implements procedures for administering this policy
- Ensures compliance with policy and state law
- Authorizes exceptions.

**4. Employees Responsible for Unauthorized Expenses**

Unless authorized as an exception, employees are responsible for payment of any expense they incur or authorize not in accordance with this policy.

**5. We Reimburse Individual Meal Expenses at Actual Cost**

When on non-travel status, we reimburse the actual cost of business meal expenses only when such expenses conform to the "reasonable and necessary" standard of this policy.

When on travel status, the per diem rates of FIN 18.00.01, PAYING TRAVEL EXPENSES apply.

We allow a reasonable gratuity (15% to 20%) as part of a reimbursable meal expense

Examples of appropriate meal expenditures include:

- Lunch or breakfast meeting necessary to accommodate scheduling conflicts
- Business meeting with an individual when the meal represents de facto payment for services
- Recruitment meetings with candidates for City positions
- A meal for an employee required to work unscheduled continuous overtime pursuant to the meal reimbursement provisions of his/her labor agreement

**6. We Limit Cost of City-Sponsored Group Events to Per Diem Allowance**

The City pays for food or other refreshments for City-sponsored activities meeting the criteria of this policy only when approved by the Department Head in advance.

We require Finance Director review and approval in advance when the meal cost per employee will exceed the employee per diem of FIN 18.00.01, PAYING TRAVEL EXPENSES.

Examples of appropriate meal expenditures include:

- Meals associated with Council, Board or Commission meetings
- Department retreats or quarterly meetings that span a normal meal break
- Meetings with City vendors or consultants, staff from other jurisdictions, elected officials or foreign dignitaries which run through a normal meal period
- Lunch or breakfast meeting necessary to accommodate scheduling conflicts
- In-house training meetings where a meal break is not included

- Meals of employees and volunteers continually working a (major) emergency.

Examples of appropriate City-provided refreshments include:

- Coffee and tea for business meetings
- Cookies, fruit, snacks for lengthy group work sessions
- Refreshments for public events and receptions
- Physical agility testing and fitness events.

**7. We Pay Eligible Incidental Business Expenses**

The City pays for incidental items associated with events and business meals such as:

- Mileage and parking
- Event amenities such as, equipment rental, disposable tableware
- Training materials
- Gifts for dignitaries consistent with the standards in 1 above.

**8. We Require Documentation Prior to Reimbursement**

The City will not reimburse until all required documentation is received and approved, including:

Itemized receipts:

- Individual meal expense including gratuity
- Group meals, snacks, refreshments
- Any incidental expenses

A statement of

- The City business or public purpose of the meeting or event, and
- The benefit to the City

In the case of group events

- The names and positions of the individuals (employees, volunteers, elected officials) for whom the expense was incurred or,
- In the case of public receptions, a general description of attendees

**9. We Limit Methods of Payment**

We limit payment of employee meals and incidental expenses to the following methods:

- City Purchasing Card (FIN 08.00.04, PURCHASING CARD)
- Employee reimbursement using the Check Request Form
- Petty Cash Reimbursement only for amounts less than \$10.

(We limit use of petty cash for meal reimbursement because of internal control issues.)

**10. City Requires Approval of Expenditures**

We require approval of expenditures covered under this policy by:

- Department Head for department staff
- Mayor for Department Head
- Council President for Council members
- Finance Director reviews Mayor

- Mayor reviews Finance Director
- Mayor reviews Council President