



HISTORIC
FRANKLIN
TENNESSEE

Travel and Expense Policy

Updated June 30, 2025

CITY OF FRANKLIN

Travel and Expense Policy

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1. **PURPOSE**

The purpose of this policy is to ensure compliance with Tennessee Code Annotated § 6-54-901-907. This law requires Tennessee municipalities to adopt travel and expense regulations covering expenses incurred by "any mayor and any member of the local governing body and any member board or committee member elected or appointed by the mayor or local governing body, and any official or employee of the municipality whose salary is set by charter or general law."

To provide consistent travel regulations and to assure fair and equitable treatment, this policy is expanded to cover all employees and individuals traveling on City business at City expense.

2. **ENFORCEMENT**

The City Administrator or designee shall be responsible for the enforcement of these regulations. Any person attempting to defraud the City or misuse City travel funds is subject to legal action for recovery of fraudulent travel claims.

3. **AUTHORIZED TRAVELER**

In the interpretation and application of this policy, the term "traveler" or "authorized traveler" means any elected or appointed municipal officer or employee, including members of municipal boards and committees appointed by the Mayor or the municipal governing body, the employees of such boards and committees and all other municipal employees who are traveling on official municipal business and whose travel was authorized in accordance with this policy. Unless otherwise specified, this policy applies to vendors for travel or business expenses eligible for reimbursement by the City.

"Authorized traveler" shall not include the spouse, children, other relatives, friends, or companions accompanying the authorized traveler on authorized business, unless the person(s) otherwise qualifies as an authorized traveler under this policy.

4. **TRAVEL AND EXPENSES**

Discounts. The authorized traveler should be conservative in expenditures and request the government rate and/or take advantage of other discounts, special rates or tax exemptions to which the City may be entitled whenever feasible.

Payments. Authorized travelers are encouraged to use their Purchasing Card whenever possible for paying for eligible expenses, including but not limited to conference registration, lodging, meals, and gasoline purchases.

The municipality may pay directly to a provider by accounts payable for expenses such as meals, lodging, and registration fees for conferences, conventions, seminars, and other education programs.

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Authorized travelers may be reimbursed for eligible expenses incurred while traveling on official business for the City. Eligible expenses shall include expenses for transportation; lodging; meals, registration fees for conferences, conventions, and seminars; and other actual and necessary expenses related to official business as determined by the City Administrator or designee.

The City does not provide travel advances. (Eligible travel expenses not paid directly by accounts payable or purchasing card will be reimbursed.)

Travel Period. The traveler will be required to take annual leave for any additional time taken beyond the day before and the day after the conference, convention, seminar, or meeting dates.

When the traveler extends the trip with personal time to take advantage of discount fares, eligible expenses will be limited to the lesser of:

- a. the actual expenses incurred, including meals and lodging; or
- b. the amount that would have been incurred for non-discounted fares using the least expensive rates available.

5. DOCUMENTATION

Travel Authorization. Prior to the travel, all costs associated with the travel should be reasonably estimated. The authorized traveler shall indicate that the proposed travel is approved in the present budget. Departments may use the Travel Authorization Form to document the authorization.

Travel authorizations of \$2,500 or over are approved by the City Administrator or an Assistant City Administrator. Those under \$2,500 may be approved by the department head or designee.

Travel Reimbursement. To qualify for reimbursement, travel expenses must be directly related to the conduct of the City business for which the travel was authorized and reasonable, and necessary under the circumstances. The City Administrator may make exceptions for unusual circumstances.

It is the responsibility of the authorized traveler to complete the reimbursement form, sign, and obtain approval with the necessary supporting documents and original receipts.

Reimbursement requests, including those for mileage, should be received by Finance within 30 days of the end of the travel or expense period. Reimbursement requests received after 60 days of the end of the travel or expense period are not eligible for reimbursement.

Travel expenses chargeable to a federal award require documentation to substantiate that the travel is necessary to the federal award.

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Travel Receipts. Expenses must be supported by the original itemized paid receipts unless otherwise exempted in this policy. If an invoice or receipt is missing, substitute documentation is needed for the expense. Frequent submission of substitute documentation may result in additional training, verbal or written counseling or suspension of procurement card authorization. REGISTRATIONS

Registration fees for approved conferences, conventions, seminars, continuing education hours, meetings, and other educational programs are eligible expenses.

6. TRANSPORTATION

Air Travel. All potential costs should be considered when selecting the modes of transportation. For example, airline travel may be cheaper than automobile when time away for work and increased meal and lodging costs are considered.

When time is important, or when the trip is so long that other modes of transportation are not cost-beneficial, air travel is encouraged.

The city will pay for tourist or economy class air travel on the lowest cost air carrier based in Nashville going to the traveler's destination, or the city closest to the destination.

Mileage credits for frequent flyer programs accrue to the individual traveler. However, the City will not reimburse for additional expenses - such as circuitous routing, extended stays, layovers to schedule a carrier, upgrading from economy to first class-seating, for travelers to accumulate additional mileage or for other personal reasons.

City Vehicle. The City may require the employee to drive a City vehicle. The employee is required to have a valid driver's license in their name to operate a city vehicle. The traveler is responsible for seeing that the vehicle is used properly and only for acceptable business. Eligible expenses are those directly related to the actual and normal use when proper documentation is provided.

Out-of-town repair costs must be cleared with the department head or the City Administrator before the repair is authorized.

Automobile transportation may be used when a common carrier cannot be scheduled, when it is more economical, when a common carrier is not practical, or when expenses can be reduced by two or more City employees traveling together.

Rental Vehicle. Use of a rental car is not permitted unless it is less expensive or otherwise more practical than public transportation. Approval of car rental is generally required in advance. The traveler must always request the government or weekend rate, whichever is cheaper. The employee driving the rental vehicle must have a valid driver's license in their name. Anyone who uses a rental car for out-of-state travel must obtain

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liability and collision coverage from the vendor. The City will reimburse the traveler for this insurance coverage on rental cars.

In nearly all cases, an intermediate size automobile is the most appropriate vehicle to rent.

A rental vehicle is not eligible for mileage reimbursement.

Train, Bus, Taxi, Shuttle, and Other Transportation Fares. The City will pay for the actual cost of tickets if the train or bus ticket does not exceed the lowest reasonable available airfare and associated airfare travel costs. This type of travel cannot extend the time a traveler would be away from the work place.

When an individual travel by common carrier, reasonable fares will be allowed for necessary ground transportation. Bus or shuttle service to and from airports should be used when available and practical. The traveler will be reimbursed for parking fees and mileage for travel to and from the local airport.

Reasonable transportation fares between lodging quarters and meetings, conferences, or meals are eligible expenses.

Personal Vehicle. Use of a private vehicle for travel must be approved in advance. The City will pay a mileage rate not to exceed the rate established by the Internal Revenue Service standard rate as of the date of travel. In no event will mileage reimbursement exceed the lowest reasonable available airfare and associated airfare travel costs.

Unless from home, the miles for reimbursement shall be paid from the origin to destination and back by the most direct route. Necessary vicinity-travel related to official City business will be reimbursed using the Rand McNally mileage calculator. Mileage requests beyond this calculation must be documented as necessary and business related.

Mileage on trips from home to a temporary work location must exceed employee's normal commute to be reimbursable. (Normal commute miles will be deducted from the mileage to or back home from the temporary work location.)

Travelers will not be reimbursed for automotive repair or breakdowns when using their personal vehicle.

If a privately-owned automobile is used by two or more travelers on the same trip, only the traveler who owns or has custody of the automobile will be reimbursed for mileage. It is the responsibility of the traveler to provide adequate insurance to hold harmless the City for any liability from the use of the private vehicle.

Local transportation should normally be by city vehicle. Local mileage will be paid in cases where a city vehicle is not available.

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7. **LODGING**

Authorized travelers shall be reimbursed for actual, reasonable and necessary expenses incurred for lodging in a publicly licensed lodging facility during official business travel requiring an overnight stay. The traveler shall request conference, government or weekend rates, whichever is cheaper when making lodging reservations. Authorized travelers sharing lodging shall report on a pro rata basis.

Travelers may stay at conference hotel(s) at conference / training / event rate, including a comparable rate hotel if conference / training / event hotels are filled.

8. **MEALS**

Travel meals comprise meals when there is an overnight stay. (An overnight stay is typically for travel beyond the Middle Tennessee region of the state.)

Meals provided for city business when there is not an overnight stay may be eligible business meals.

The City of Franklin will pay a reasonable and customary amount for meal expenses. This is subject to a maximum amount depending on the location of the travel. Meal amounts per day are not to exceed the federal per diem meals breakdown for the continental U.S. (CONUS) developed by the United States General Services Administration. On the first and last day of travel, the maximum is 75% of the CONUS per diem meals breakdown. The daily rate for meals would also be reduced for any meal provided at a conference / training / event (using the rate for that meal).

Should an authorized traveler pay for the total cost of a meal shared with other authorized travelers, the total will be reimbursed to the paying traveler, if applicable. All authorized travelers should be identified on the original itemized receipt. Also notated on the itemized receipt should be the business reason.

Non-travel meals (no overnight stay) should be authorized prior to expense and include an itemized receipt notating the business reason, who attended (including outside guests), and total including tip.

9. **OTHER ELIGIBLE EXPENSES**

Baggage Handling. An allowance of \$4 for hotel/motel check-in and baggage handling will be reimbursable without documentation or original receipts on days of check-in and check-out only.

Gratuities at Restaurants. Reasonable gratuities at full-service restaurants are eligible travel expenses. The gratuity needs to not exceed 20%.

Sales Tax and Hotel/Motel Tax. Sales tax and hotel/motel taxes paid while traveling are eligible expenses.

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Tolls. Reasonable tolls will be allowed when the most direct travel route requires them.

10. NON-ELIGIBLE EXPENSES

The following items are non-eligible travel expenses. However, these are provided only as a guideline and not necessarily a complete list:

- a. Accidents and breakdowns in employee-owned vehicles,
- b. Airline or other travel insurance,
- c. Alcoholic beverages,
- d. Barbers and hairdressers,
- e. Car washes for employee-owned vehicles,
- f. Entertainment expenses,
- g. Fines for traffic or parking violations,
- h. Golf fees,
- i. Kennel costs for pets,
- j. Laundry and valet service,
- k. Mileage and lodging expenses incurred within the City limits unless approved in advance by the City Administrator,
- l. Private aircraft unless approved in advance by the City Administrator,
- m. Spa/salon services,
- n. Traffic fines and parking tickets, and
- o. Transportation costs incurred for personal purposes are not reimbursable.

11. TRAVEL PAY

The City uses U.S. Department of Labor regulations for travel pay. The regulations determine pay based on the nature of travel. Only non-exempt employees are eligible for travel pay.

12. SPECIAL CIRCUMSTANCES

The City Administrator may address special circumstances and issues not covered in this policy.

13. CAR ALLOWANCE

Certain employees of the City may receive an automobile allowance, which is intended to cover the cost of an automobile, including financing, insurance, maintenance and repairs, fuel, etc. Automobile allowance payments will be included in the employee's taxable income. No mileage reimbursement shall be paid to employees receiving a car allowance for travel within Williamson County. Travel outside the County shall be reimbursed at the rate of ½ the current per-mile reimbursement rate as described in the City's Travel Policy.

14. BOOK TRAVEL DIRECTLY IN LIEU OF 3RD PARTY TRAVEL SITES

When 3rd party travel sites are used, unexpected fees, undercollected taxes, and less flexibility may result. In the event that the person who booked the travel is unable to go, the 3rd party travel sites do not allow flexibility to transfer those funds to someone else. To avoid, book directly or through the organizer in lieu of 3rd party travel sites.