TO: James L. App, City Manager

FROM: Mike Compton, Director of Administrative Services

SUBJECT: Purchasing Procedures – Travel & Meeting Expense Reimbursements

DATE: August 2, 2005

Needs: For the City Council to consider a modification to the Travel and Meeting component of the Purchasing Procedures Policy.

Facts:

1. Title 6 of the Municipal Code, Purchasing and Payment Procedures, was approved in 1992.

2. In 1995 travel per diem was increased to $70 per day.

3. IRS regulations allow up to $75 per day for travel related expenses provided receipts are kept for any/all expenses. Alternatively, lower maximum daily allowances (see attached) can be provided without receipts.

4. Amounts paid in excess of the two options noted above in Fact #3 are reportable as taxable income to the IRS via W-2s.

5. A modification to the daily per diem component of the City's purchasing procedures is proposed for compliance with IRS regulations.

Analysis and Conclusion:

Current IRS regulations limit the maximum daily per diem to $75 per day if documented with receipts for all expenses. Amounts not documented with receipts must be reported to the IRS as taxable income for the individual involved unless the amount is within the IRS allowance for the specific city/area/region.

It is recommended that a portion of Section 10.0, Part 4 "Per Diem" be modified as follows:

"Each person traveling on official City business, which includes an over-night stay, may receive a per diem equal to the IRS allowance or up to $75 per day with receipts ~~to $70 per day~~ to reimburse the traveler for meals, taxes, gratuities, and incidental expenses. ~~When per diem is claimed, receipts or paid invoices for the expenses covered are not required~~"……

Fiscal Impact:

Modifying the daily per diem policy provides greater consistency with IRS regulations.

Options:

a. Adopt Resolution No. 05-xx modifying Section 10.0, Part 4, of the Purchasing Procedures; or

b. Amend, modify, or reject the above option.

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	
9	CA	Antioch/Brentwood/Concord/Lafayette/ Martinez/Pleasant Hill/Richmond/San Ramon/Walnut Creek	Contra Costa
9	CA	Bakersfield/Delano	Kern, Naval Weapons Center and Ordinance Test Station, China Lake
9	CA	Barstow/Ontario/Victorville	San Bernardino
9	CA	Benicia/Dixon/Fairfield/Vacaville/Vallejo	Solano
9	CA	Brawley/Calexico/El Centro/Imperial	Imperial
9	CA	Clearlake	Lake
9	CA	Death Valley	Inyo
9	CA	Fresno	Fresno
9	CA	Los Angeles	Los Angeles, Orange and Ventura; Edwards AFB (see Santa Monica)
9	CA	Mammoth Lakes	Mono
9	CA	Mill Valley/San Rafael/Novato	Marin
9	CA	Modesto	Stanislaus
9	CA	Monterey	Monterey
9	CA	Monterey	Monterey
9	CA	Napa	Napa
9	CA	Napa	Napa
9	CA	Oakhurst	Madera
9	CA	Oakland	Alameda
9	CA	Palm Springs	Riverside
9	CA	Palm Springs	Riverside
9	CA	Palm Springs	Riverside

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	
9	CA	Point Arena/Gualala	Mendocino
9	CA	Redding	Shasta
9	CA	Sacramento	Sacramento
9	CA	San Diego	San Diego
9	CA	San Francisco	San Francisco
9	CA	San Luis Obispo	San Luis Obispo
9	CA	San Mateo/Foster City/Belmont	San Mateo
9	CA	Santa Barbara	Santa Barbara
9	CA	Santa Cruz	Santa Cruz
9	CA	Santa Cruz	Santa Cruz
9	CA	Santa Monica	City limits of Santa Monica
9	CA	South Lake Tahoe	El Dorado
9	CA	South Lake Tahoe	El Dorado
9	CA	Stockton	San Joaquin
9	CA	Sunnyvale/Palo Alto/San Jose	Santa Clara
9	CA	Tahoe City	Placer
9	CA	Truckee	Nevada
9	CA	Visalia/Lemoore	Tulare and Kings
9	CA	West Sacramento	Yolo
9	CA	Yosemite National Park	Mariposa

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

FY2005 Domestic Per Diem Rates - Effective October 1, 2004

	STATE	DESTINATION	County and/or other Defined Location
		Standard CONUS Rate applies to all destinations not specifically listed	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	**$31**	**$91**	
	$99	$47	$146	
	$67	$43	$110	
	$82	$43	$125	
	$104	$47	$151	
	$64	$31	$95	
	$69	$35	$104	
	$71	$47	$118	
	$70	$35	$105	
	$100	$51	$151	
	$71	$47	$118	
	$107	$47	$154	
	$78	$39	$117	
(February 1 - November 30)	$132	$47	$179	
(December 1 - January 31)	$106	$47	$153	
(May 1-October 31)	$143	$47	$190	
(November 1-April 30)	$115	$47	$162	
	$76	$43	$119	
	$100	$43	$143	
(January 1-May 31)	$140	$47	$187	
(June 1-August 31)	$86	$47	$133	
(September 1-December 31)	$104	$47	$151	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate
	$60	**$31**	**$91**
	$65	$43	$108
	$76	$35	$111
	$91	$47	$138
	$129	$51	$180
	$126	$51	$177
	$103	$43	$146
	$95	$47	$142
	$143	$43	$186
(July 1-August 31)	$100	$47	$147
(September 1-June 30)	$74	$47	$121
	$151	$43	$194
(December 1-August 31)	$136	$47	$183
(September 1-November 30)	$113	$47	$160
	$77	$31	$108
	$111	$51	$162
	$97	$47	$144
	$87	$47	$134
	$66	$43	$109
	$97	$35	$132
	$81	$47	$128

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate	
	$60	$31	$91	

Seasonal Dates	**Maximum Lodging Rate (excludes taxes)**	**M&IE Rate**	**Maximum Per Diem Rate**	
	$60	**$31**	**$91**	

TO:	City Council
FROM:	James L. App, City Manager
SUBJECT:	Travel Expense Reimbursement
DATE:	February 7, 2005

The California Government Code provides that City Council members may be reimbursed for "actual and necessary expenses incurred in the performance of official duties." This provision applies to expenses incurred while traveling, typically to participate in various educational and legislative conferences.

In 1995, a "per diem" travel expense policy was adopted that provides up to $70 per day for meals & incidentals. The option of expense reimbursement based upon actual receipts continues as well.

Over the past few years, some have observed that the $70 per diem is insufficient in major metropolitan areas. Upon researching the matter, Mike Compton has determined that (a) the City's per diem allowance may be considered reportable for income tax purposes, and (b) other cities' allowances are generally lower (see attached memo).

In the event that business in metropolitan areas is accompanied by costs for meals and incidentals exceeding IRS rates, there would appear to be four reimbursement options:

- Reimbursement of expenses based upon receipts. *NOTE: IRS rules limit $75/day for meals & incidentals or the excess may be reportable as wages.*

- Limit (and provide receipts for) expenses to no more than $70 per day.

- Establish a monthly expense allowance for a variety of necessary City Council business expenses including travel meals & incidentals. *NOTE: To the extent that a flat expense allowance exceeds amounts actually expended for verifiable municipal purposes, the excess could be considered a gift of public funds. And, if the amount expended for travel meals & incidentals specifically exceeds $75 per day, could be considered reportable wages.*

- Adjust Council stipend to legally allowed limits – approximately $500+ per month. *NOTE: Any stipend increase may take effect only when at least one Council Member commences a new term and pursuant to a resolution or ordinance.*

attachment

Memorandum

To: Jim App, City Manager

From: Mike Compton, Director of Administrative Services

Subject: Travel Per Diem

Date: February 2, 2005

Recent inquiries by Council to adjust the travel per diem rate have brought to my attention an existing irregularity with IRS regulations. According to current IRS regulations, travel payments or portions thereof under the City's current policy may be reportable for income tax withholding purposes as they exceed maximum allowances.

Governmental employees may receive reimbursement for actual costs incurred, a per diem allowance, or a monthly allowance or advance. If the expense reimbursements or allowances are not made in accordance with the IRS rules, they may be considered "wages" subject to payroll tax withholding.

An expense reimbursement, allowance or advance may be made under either an "accountable" plan or "nonaccountable" plan. Reimbursements, allowance or advances made under an "accountable" plan are <u>not</u> subject to payroll tax withholding.

If the governmental agency established an "accountable" plan but the employee did not substantiate the expenses or return advances within a reasonable period, only the amounts not substantiated or not returned, however, will constitute "wages".

In lieu of reimbursing an employee for actual expenses, a government agency may pay a per diem <u>so long as it does not exceed the federal per diem rate</u>.

- Generally, payments made under an "accountable" plan are excluded from the employee's gross income and are not reported on Form W-2. In order to qualify as an "accountable" plan, the expenses must be substantiated and any amount in excess of substantiated expense must be returned to the agency within a "reasonable period of time".
- All payments made under a "nonaccountable" plan whereby the employee does not submit an expense report with the actual cost of meals itemized or does not return any excess advances the employee is taxable on the entire meal allowance and this amount must be reported on Form W-2.
- If the agency's reimbursement policy was always equal to or less than the federal per diem amounts, then the employee would merely need to list the per diem amount on the expense report, and would not need to submit any receipts.

Per diem payments are considered "substantiated" if they do not exceed IRS allowances. The IRS provides two methods for determining "substantiated" (allowable) per diems. They are:

1. Government agency does not exceed the IRS maximum rate for the "specific locality". The rates under the "specific locality" method range from a low of $36 to $51. Specific locality rates may be found at www.fss.gsa.gov or www.policyworks.gov/perdiem . San Francisco, for example, is a $51 daily per diem locality.
2. Government agency does not exceed the IRS maximum using the optional "high/low" method. In this case, both lodging and meals (including incidentals) are combined for a total daily amount. For the high geographic locality, it is $153 for lodging and $46 for meals and incidentals for a total of $199. In a low geographic locality it is $127; $91 for lodging and $36 for meals and incidentals.

The following example is provided to illustrate IRS regulations relating to travel expenses, specifically per diems:

Employee travels from Los Angeles to San Francisco for City business requiring an overnight stay. Employee spends $185 for airfare and taxi, $200 for lodging, and $65 for meals and incidentals for a total of $450.

1. Under the accountable plan, full reimbursement upon submission of all receipts, the entire $450 is non-reportable for income tax withholding purposes. However, meals and incidentals are capped at $75 per day. Even with receipts, amounts spent above $75 are reportable for income withholding purposes.
2. Under the "per diem" reimbursement plan based upon "specific locality" method, assuming receipts are returned for airfare and lodging, the employee may claim up to $436 (airfare plus lodging and $51 for meals and incidentals) without incurring any income tax liability.
3. Under the "per diem" reimbursement plan based upon "specific location" method, assuming receipts are returned only for airfare, the employee may claim up to $362 (airfare plus $126 for lodging and $51 for meals and incidentals without incurring any income tax liability.
4. Under the "per diem" reimbursement plan based upon the "high-low" method, the employee may claim up to $384 (airfare plus $153 for lodging and $46 for meals and incidentals without incurring any income tax liability.

In conclusion, the City's current daily per diem rate of $70 per day exceeds IRS allowances for non-taxability. I would recommend that the daily per diem be lowered to reflect the IRS "specific locality" schedule (copy attached). However the following options are available, though not desirable from an administrative oversight perspective, at the employee's/councilman's option:

- ✓ Reimburse all reasonable travel expenses on a "receipt provided basis".
- ✓ Allow a higher daily per diem but report the excess amounts as taxable income on the employee's/councilman's W-2.

Per your original request, attached is a copy of the survey responses received to date. The discrepancy between our daily per diem rate and the rate for all the other cities is what lead me to

discover that there was IRS rules relating to allowances and taxable income issues. I have also attached an older survey that I came across back in 1999. Our daily per diem rate was increased from $35 to $75 sometime between 1/8/95 and 1/27/95.

FY2005 Domestic Per Diem Rates - Effective October 1, 2004 (with Updated Changes)						
STATE	DESTINATION	County and/or other Defined Location	Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate
	Standard CONUS Rate applies to all destinations not specifically listed			**$60**	**$31**	**$91**
CA	Antioch/Brentwood/Concord/Lafayette/ Martinez/Pleasant Hill/Richmond/San Ramon/Walnut Creek	Contra Costa		$99	$47	$146
CA	Bakersfield/Delano	Kern, Naval Weapons Center and Ordinance Test Station, China Lake		$67	$43	$110
CA	Barstow/Ontario/Victorville	San Bernardino		$82	$43	$125
CA	Benicia/Dixon/Fairfield/Vacaville/Vallejo	Solano		$104	$47	$151
CA	Brawley/Calexico/El Centro/Imperial	Imperial		$64	$31	$95
CA	Clearlake	Lake		$69	$35	$104
CA	Death Valley	Inyo		$71	$47	$118
CA	Fresno	Fresno		$70	$35	$105
CA	Los Angeles	Los Angeles, Orange and Ventura; Edwards AFB (see Santa Monica)		$100	$51	$151
CA	Mammoth Lakes	Mono		$71	$47	$118
CA	Mill Valley/San Rafael/Novato	Marin		$107	$47	$154
CA	Modesto	Stanislaus		$78	$39	$117
CA	Monterey	Monterey	(February 1 - November 30)	$132	$47	$179
CA	Monterey	Monterey	(December 1 - January 31)	$106	$47	$153
CA	Napa	Napa	(May 1-October 31)	$143	$47	$190
CA	Napa	Napa	(November 1-April 30)	$115	$47	$162
CA	Oakhurst	Madera		$76	$43	$119
CA	Oakland	Alameda		$100	$43	$143
CA	Palm Springs	Riverside	(January 1-May 31)	$140	$47	$187
CA	Palm Springs	Riverside	(June 1-August 31)	$86	$47	$133
CA	Palm Springs	Riverside	(September 1-December 31)	$104	$47	$151
CA	Point Arena/Gualala	Mendocino		$65	$43	$108
CA	Redding	Shasta		$76	$35	$111
CA	Sacramento	Sacramento		$91	$47	$138
CA	San Diego	San Diego		$129	$51	$180
CA	San Francisco	San Francisco		$126	$51	$177
CA	San Luis Obispo	San Luis Obispo		$103	$43	$146
CA	San Mateo/Foster City/Belmont	San Mateo		$95	$47	$142
CA	Santa Barbara	Santa Barbara		$143	$43	$186
CA	Santa Cruz	Santa Cruz	(July 1-August 31)	$100	$47	$147
CA	Santa Cruz	Santa Cruz	(September 1-June 30)	$74	$47	$121
CA	Santa Monica	City limits of Santa Monica		$151	$43	$194
CA	Santa Rosa	Sonoma		$104	$47	$151

FY2005 Domestic Per Diem Rates - Effective October 1, 2004 (with Updated Changes)						
STATE	DESTINATION	County and/or other Defined Location	Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate
	Standard CONUS Rate applies to all destinations not specifically listed			$60	$31	$91
CA	South Lake Tahoe	El Dorado	(December 1-August 31)	$136	$47	$183
CA	South Lake Tahoe	El Dorado	(September 1-November 30)	$113	$47	$160
CA	Stockton	San Joaquin		$77	$31	$108
CA	Sunnyvale/Palo Alto/San Jose	Santa Clara		$111	$51	$162
CA	Tahoe City	Placer		$97	$47	$144
CA	Truckee	Nevada		$87	$47	$134
CA	Visalia/Lemoore	Tulare and Kings		$66	$43	$109
CA	West Sacramento	Yolo		$97	$35	$132
CA	Yosemite National Park	Mariposa		$81	$47	$128

FY2005 Domestic Per Diem Rates - Effective October 1, 2004 (GSA Region 9)						
STATE	DESTINATION	County and/or other Defined Location	Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate
	Standard CONUS Rate applies to all destinations not specifically listed			**$60**	**$31**	**$91**
CA	Antioch/Brentwood/Concord/Lafayette/ Martinez/Pleasant Hill/Richmond/San Ramon/Walnut Creek	Contra Costa		$99	$47	$146
CA	Bakersfield/Delano	Kern, Naval Weapons Center and Ordinance Test Station, China Lake		$67	$43	$110
CA	Barstow/Ontario/Victorville	San Bernardino		$82	$43	$125
CA	Benicia/Dixon/Fairfield/Vacaville/Vallejo	Solano		$104	$47	$151
CA	Brawley/Calexico/El Centro/Imperial	Imperial		$64	$31	$95
CA	Clearlake	Lake		$69	$35	$104
CA	Death Valley	Inyo		$71	$47	$118
CA	Fresno	Fresno		$70	$35	$105
CA	Los Angeles	Los Angeles, Orange and Ventura; Edwards AFB (see Santa Monica)		$100	$51	$151
CA	Mammoth Lakes	Mono		$71	$47	$118
CA	Mill Valley/San Rafael/Novato	Marin		$107	$47	$154
CA	Modesto	Stanislaus		$78	$39	$117
CA	Monterey	Monterey	(February 1 - November 30)	$132	$47	$179
CA	Monterey	Monterey	(December 1 - January 31)	$106	$47	$153
CA	Napa	Napa	(May 1-October 31)	$143	$47	$190
CA	Napa	Napa	(November 1-April 30)	$115	$47	$162
CA	Oakhurst	Madera		$76	$43	$119
CA	Oakland	Alameda		$100	$43	$143
CA	Palm Springs	Riverside	(January 1-May 31)	$140	$47	$187
CA	Palm Springs	Riverside	(June 1-August 31)	$86	$47	$133
CA	Palm Springs	Riverside	(September 1-December 31)	$104	$47	$151
CA	Point Arena/Gualala	Mendocino		$65	$43	$108
CA	Redding	Shasta		$76	$35	$111
CA	Sacramento	Sacramento		$91	$47	$138
CA	San Diego	San Diego		$129	$51	$180
CA	San Francisco	San Francisco		$126	$51	$177
CA	San Luis Obispo	San Luis Obispo		$103	$43	$146
CA	San Mateo/Foster City/Belmont	San Mateo		$95	$47	$142
CA	Santa Barbara	Santa Barbara		$143	$43	$186
CA	Santa Cruz	Santa Cruz	(July 1-August 31)	$100	$47	$147

FY2005 Domestic Per Diem Rates - Effective October 1, 2004 (GSA Region 9)						
STATE	DESTINATION	County and/or other Defined Location	Seasonal Dates	Maximum Lodging Rate (excludes taxes)	M&IE Rate	Maximum Per Diem Rate
	Standard CONUS Rate applies to all destinations not specifically listed			$60	$31	$91
CA	Santa Cruz	Santa Cruz	(September 1-June 30)	$74	$47	$121
CA	Santa Monica	City limits of Santa Monica		$151	$43	$194
CA	South Lake Tahoe	El Dorado	(December 1-August 31)	$136	$47	$183
CA	South Lake Tahoe	El Dorado	(September 1-November 30)	$113	$47	$160
CA	Stockton	San Joaquin		$77	$31	$108
CA	Sunnyvale/Palo Alto/San Jose	Santa Clara		$111	$51	$162
CA	Tahoe City	Placer		$97	$47	$144
CA	Truckee	Nevada		$87	$47	$134
CA	Visalia/Lemoore	Tulare and Kings		$66	$43	$109
CA	West Sacramento	Yolo		$97	$35	$132
CA	Yosemite National Park	Mariposa		$81	$47	$128
NV	Incline Village/Crystal Bay	City limits of Incline Village and Crystal Bay	(June 1-September 30)	$111	$43	$154
NV	Incline Village/Crystal Bay	City limits of Incline Village and Crystal Bay	(October 1-May 31)	$89	$43	$132
NV	Las Vegas	Clark	(September 1-May 31)	$122	$43	$165
NV	Las Vegas	Clark	(June 1-August 31)	$106	$43	$149
NV	Reno/Sparks	Washoe		$94	$31	$125
NV	Stateline	Douglas		$80	$47	$127

Per Diem Survey - 2005

	Breakfast	Lunch	Dinner	Misc	Total	Comments
Paso Robles	n/a	n/a	n/a	n/a	70.00	When overnight stay is required [1]
Grover Beach					35.00	Non-metropolitan or in-state travel [2,3]
Grover Beach					40.00	Metropolitan or out-of-state travel [2,3,4]
Morro Bay	6.50	10.00	18.00	10.50	45.00	Provides full reimbursement if receipts are provided
SLO City	10.00	15.00	25.00	-	50.00	Partial days is identical to MB except its the full cost of meal
Atasacadero	10.00	10.00	20.00	-	40.00	
Buellton	**Reimburse for actual only***					

(1) Per diem is paid for travel days - 1/2 of the daily rate if the distance to the event is less than 225 miles and full per diem shall if greater than 225 miles.

(2) Partial day departing - deduct $7.00 if after 8:00 a.m.
- deduct $17.00 if after 2:00 p.m.
- no pay if after 8:00 p.m.
- if metro, the deductions are $8 and $20, respectively

(3) Partial day returning - no deduct if after 8:00 p.m.
- deduct $18.00 if between 2:00 and 8:00 p.m.
- deduct $28 if between 8:00 a.m. and 2:00 p.m.
- if metro, the deductions are $20 and $32, respectively

(4) Metro includes Bay area, Sacramento, Los Angeles, Orange Co., San Diego & Monterey

PER DIEM SURVEY - 1999

AGENCY	CATEGORY	Breakfast	Lunch	Dinner	Other	TOTAL	COMMENTS
St Helena		$8	$12	$20		$40	
Napa	Low	$9	$13	$20		$42	
	High	$12	$15	$25		$52	
Yountville							actual w/receipts
Calistoga		$10	$10	$10		$30	
American Canyon		$10	$15	$25		$50	
Culver City		$10	$15	$25		$50	
Santa Barbara		$8	$12	$20		$40	
Fullerton		$8	$13	$29		$50	with receipts, hotel $75
Santa Clarita		$8	$12	$30		$50	
Suisun City		$6	$8	$15		$29	
Clovis	Low	$10	$15	$25	$10	$60	
	High	$15	$20	$30	$10	$75	
Vista	Non-travel day					$40	reduce $10 for every meal provided
	Travel day					$28	by conference
Ridgecrest		$8	$12	$15		$35	
Chico	within County	$10	$12	$16		$38	
	outside County	$12	$16	$20		$48	
Norwalk						$40	with receipts
Tracy		$10	$12	$20		$42	less conference meals
Rancho Cucamonga	Low	$10	$15	$25		$50	
	High					$60	LA, Monterey,Palm Springs, SD, SF=$75
West Hollywood						$50	less conference meals
Atherton		$10	$15	$35		$60	w/receipts, less conference meals
Glendora		$10	$10	$20		$40	
Barstow						$50	w/receipts
Murrieta						$40	w/receipts
Whittier							Actual
Concord						$40	
Visalia							Actual
Lake Forest						$50	
Fremont		$6	$8	$14	$9.20	$37	out of town=$1.55 per hour out of town
Camarillo						$55	
Moreno Valley		$7	$10	$23		$40	

PER DIEM SURVEY - 1999

AGENCY	CATEGORY	Breakfast	Lunch	Dinner	Other	TOTAL	COMMENTS
Paso Robles						up to $75	1/2 per diem on travel days under 225 miles Dept head decides per diem normally $50
Lemon Grove							at cost
Placentia						**$60**	to mid & top management, others-actual
Santa Maria		$6	$9	$20		**$35**	
Porterville							Use Federal per diem rates (COPUS)
Redondo Beach		$10	$15	$25		**$50**	Reduce for each meal provided
South Tahoe PUD		$6	$10	$16		**$32**	IRS approved amounts
Solvang						**$25**	
Milpas							Use Federal per diem rates (COPUS)
Petaluma							No formal limits, require receipts over $25
Seal Beach							Use Federal per diem rates (COPUS)
El Cajon		$5	$7	$13		**$25**	
Alameda		$7	$9	$18		**$34**	
Upland		$8	$10	$18		**$35**	w/receipts
Red Bluff		$7	$13	$16		**$36**	Based on IRS Publication 1542
Yuba City		$6	$10	$17		**$32**	
Santee						**$45**	Meals outside SD county
Manhattan Beach		$5	$11	$22		**$38**	
Palmdale		$8	$12	$35		**$55**	
Torrance		$8	$10	$40		**$58**	

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES APPROVING A MODIFICATION TO THE CITY'S PURCHASING PROCEDURES

WHEREAS, reimbursable and travel allowances are governed by IRS regulations; and

WHEREAS, it is highly desirable to assure consistency with IRS regulations.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that a portion of Section 10.0 Part 4 is hereby amended as follows:

> "Each person traveling on official City business, which includes an over-night stay, may receive a per diem equal to the IRS allowance or up to $75 per day with receipts_to reimburse the traveler for meals, taxes, gratuities, and incidental expenses. ~~When per diem is claimed, receipts or paid invoices for the expenses covered are not required~~"……. [remaining portion to remain unchanged].

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 2nd day of August 2005 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Frank Mecham, Mayor

ATTEST:

_____
Sharilyn M. Ryan, Deputy City Clerk