

**m**      ***Elected Officials' Business Expenses*****SCOPE**

This policy establishes standards and financial responsibility and accountability for business expenses of City of Baltimore elected officials with appropriated expense accounts.

**OVERVIEW OF BUSINESS EXPENSE ALLOCATION**

This policy affects elected officials who are appropriated annual amounts of funding for certain business expenses incurred in the ordinary execution of their offices. Such amounts as shall be included for each elected official in the annual Ordinance of Estimates representing the maximum amount of funds available for this purpose.

**ACCOUNTABLE PLAN REQUIREMENTS**

The elected official's expenses must have a business connection (i.e., individual must have paid or incurred deductible expenses while performing services as an employee of Mayor and City Council).

Elected officials must adequately account to the Mayor and City Council for these expenses within a reasonable period of time (within 60 calendar days after the expenses were paid or incurred. Receipts must be submitted within this period of time).

Elected officials must return any excess reimbursement or allowance within a reasonable period of time, (within 120 calendar days after the expenses were paid or incurred).

**ALLOWABLE BUSINESS EXPENSES**

- Cost of City-related travel away from home.
- Mileage reimbursement for the City-related use of Elected Official-owned vehicle plus parking and tolls.
- Telephone calls while in the line of doing City business.
- Local City-related transportation.
- Registration for Conferences directly related to the business of the elected official's office.
- Memberships in government-related associations.
- Meals and Entertainment. *Must show that the main purpose of the combined business and entertainment was the active conduct (discussion, meeting, negotiation) of City-related business; elected official did engage in City-related business during entertainment period, expectation of some specific City-related benefit.*
- And in general, City-related ordinary and necessary business expenses.

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- Sales Tax (*Use the City's tax exemption number; See AM-303-2*)
- Alcoholic beverages.
- Gifts or charitable contributions.
- Political contributions and other political-related expenses.
- Meals and entertainment when City-related business is not conducted.
- Dues and memberships in clubs organized for pleasure, recreation and social purposes. *This includes country clubs, golf and athletic clubs, airline clubs, hotel clubs and clubs that provide meals.*
- Expenses that are not directly related to or associated with City business.

**ADVANCE OF BUSINESS EXPENSES**

There are two situations in which an elected official may get an advance from their appropriated expense allowance.

1. Out-of-Town Travel by Elected Officials, Procedure for Requesting Advance Funds or Reimbursement – See AM-239-1-1.
2. A newly elected official or an individual appointed to an elective position may request a one-time advance for getting started in office by providing an estimate of the amount and purpose of the advance required. If the advance is not fully spent within 60 days of the date of the advance, such difference must be returned and will be credited to the elected official's appropriated expense allocation. (*Until this is done, no additional expenditure from the expense account will be allowed.*)

**ELECTED OFFICIALS' RESPONSIBILITIES**

- Account for all expenditures with appropriate receipts including credit card receipts.
- Complete a monthly EMPLOYEE EXPENSE REPORT (28-1448-5060) to identify all expenses including the identification of each business purpose for reimbursement within 60 days after the expenses were paid or incurred. See AM-240-11 for guidance on Employee Expense Report completion. Receipts must accompany the Employee Expense Report when submitted to the designated staff person in the appropriate office for processing.
- Complete any and all business transactions for which reimbursement is sought and/or the appropriate closing-out of any advances on or before June 30<sup>th</sup> of each year.
- Maintain an office file of all material submitted for processing.

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**PROCESSING PROCEDURES**

The City Council President shall identify a staff member to provide assistance to City Council members and to coordinate the reimbursement for business expenses.

The Mayor and Comptroller shall designate a staff member to coordinate and process reimbursement for their business expenses.

A Direct Payment Order (DPO), signed by the official's designated authorized person and Employee Expense Report, signed by the elected official with attached receipts, is sent for funding approval to the Department of Finance, Bureau of the Budget and Management Research, 469 City Hall, and then for payment to the Bureau of Accounting and Payroll Services, Accounts Payable Unit, 401 E. Fayette Street. The agency copy of the DPO, along with a copy of the Employee Expense Report and all supporting receipts and documentation, shall be kept in the Office of the City Council President for all City Council members. For the Mayor's Office and the Office of the Comptroller, such a file of their DPOs and Employee Expense Reports with all supporting receipts and documentation shall be maintained in their respective offices.

**RELATED POLICIES**

[AM-239-1-1](#) Out-of-Travel by Elected officials – Procedure for Requesting Advance Funds or Reimbursement

[AM-240-10](#) Employee-owned Vehicle (mileage rate)

AM-240-11 Employee Expense Report

AM-303-1 Direct Payment Orders

AM-303-2 City's Tax Exempt Number