Snohomish County

Document Type: POLICY

Title: GENERAL BUSINESS EXPENSE POLICY (1209)

Document Information

1. **Policy Type:** Enterprise **Governing Department:** Budget and Finance
2. **Policy Owner** (name, title)**: Nathan Kennedy**
3. **Status:** Draft **Next Review:** 12/31/2027
4. **Regulatory Source(s):** Snohomish County Code **Other: NA**
5. **Regulatory Chapter Number(s):** 2.100.030
6. **Chapter title:** Finance Department
7. **Retention Schedule:** 6 Years **Designation:** Essential

PURPOSE: To ensure that the general business expenses of the county would be considered reasonable to the majority of our constituency, are cost-effective and are necessary for the business of the county.

(1) Identify the conditions in which an authorized individual who acts on behalf of the county may incur authorized general business expenses;

(2) identify the appropriate authorization process; and

(3) define required supporting documentation.

> .*** **When appropriate, substitute the Legislative, Judicial or relevant Elected Official's authorizing authority when the policy calls for County Executive approval. Approval from the Legislative branch must be by a majority or from that position to which the majority delegated their authority. "Department" is interchangeable with "Office". Authorized parties may delegate their authority via annual completion of the "Signature Authorization Form". *****

THIS POLICY APPLIES TO: County employees, elected officials, vendors, contractors and others as applicable

Policy Organization:

POLICY:

A. General Provisions

1. The county will reimburse county employees, elected officials and others for expenses incurred in conjunction with official county business when those expenses are properly documented and authorized.

2. All employees shall exercise prudent judgment when planning and incurring expenses. Expenses deemed unnecessary or excessive by the authorizing party will not be reimbursed.

3. Authorization of general business expenses may require the use of the Travel and Business Expense Authorization form; see Section B for authorization requirements. Reimbursement of expenses requires the use of the Expense Reimbursement form; see section E for documentation requirements. Forms are located on the Finance AP SharePoint site.

4. County employees and elected officials may claim reimbursement of expenses incurred on behalf of others based on **original** detailed receipts for expenses as described in this policy; see section B and E of this policy for additional information.

5. Each employee or elected official is responsible for the timely claim of his or her own reimbursement within 15 business days or less after return. Reimbursement for expenses of another can only be claimed if the expenses were incurred directly by the person seeking reimbursement. For others, such as a contractor or vendor, timely claims should be submitted within 30 days after expenses were incurred. Finance Department shall not reimburse claims that are over 90 days and extend past yearend.

6. All individual reimbursements shall be for less than $10,000.

B. Authorization of Expenses (See Section "E" for documentation requirements and Section "C" for county boards and commissions)

1. See relevant topic sections within this policy to determine what level of authorization is required for general business expenses. When department pre-authorization is required for

county employees, other than elected officials and department heads, authorization must come from the department head or designee. Authorization from a designee is allowed as indicated on the Signature Authorization form, which is required to be updated annually and whenever necessary throughout the year.

2. Verbal pre-purchase authorization is permitted for small recurring expenses and purchases such as office supplies in amounts authorized by department/office management. Verbal pre-authorization is ***not*** allowed if the nature of the purchase or authorization requires a signature (e.g., travel, meals, meetings, reimbursements, Purchasing Policy Requirements, etc.).

3. Expenses requiring written pre-authorization must have the required forms completed and signatures obtained *before any expenses are incurred*.

4. Expenses authorized in grants that have been previously approved by the County Executive or equivalent authorization, are deemed to have met expense authorization requirements.

5. Expenses of persons who are ***not*** county employees, elected officials, quasi-employees, or members of boards or commissions must be authorized in advance by the County Executive or designee, except in cases of prior approval such as contracts or grants.

6. Actual expenses that exceed 10% of a pre-authorized total amount (not individual expenses) will require re-authorization by all parties who authorized the original expenditure.

C. County Boards, Commissions and Quasi-Employees

1. The county will reimburse members of county boards and commissions for general business expenses approved by the applicable department head or designee to the extent authorized by SCC 2.03.070.

2. The county will reimburse county boards, commissions and *quasi-employees* (see definitions section) who are neither county employees nor elected officials for general business expenses where the payment can be reasonably construed to be in consideration for a service performed or other substantial benefit received by the county of commensurate value. In addition to other requirements, this type of reimbursement requires prior authorization and documentation as provided in this policy based on type of expense.

3. Mileage reimbursement requests for boards and commissions will be submitted at least quarterly and shall be signed by the board or commission member.

D. Disallowed Expenses

1. Unless expressly identified as a permitted expense by this policy, the County will not provide payment or reimbursement. This includes, but is not limited to, the following:

    a. Fines, penalties, and/or forfeitures.
    b. Tobacco, vaping and cannabis products, alcoholic beverages, entertainment, personal clothing, sundries, personal telephone calls or telegrams, or other like personal services or items.
    c. Personal expenses and purchases.
    d. "No Host" event expenses. A "No Host" event are meetings and events that do not involve training or where County business is not discussed.
2. If expenses are deemed unallowable or "No Host" subsequent to reimbursement (e.g. exceeding de minimis or the No Host attendees were not charged) personal re-payment from the department director or elected official will be required immediately.

E. Documentation of Expenses

1. Documentation of expenses is required.

2. All requests for reimbursement must be submitted on an expense reimbursement form adopted by the Finance Department. Expense Reimbursement forms are located on the Finance Accounts Payable SharePoint site.

3. Original detailed receipts must be attached to expense reimbursement request forms except when receipts are not issued (see item E4 below). If a receipt is lost, a missing receipt form must be completed. The form is located on the AP SharePoint site.

4. Finance will allow reimbursement for authorized expenses up to $10 per day for which ***no receipt*** is issued (such as business phone calls, stamps, etc.) and the department head or designee deems the expense reasonable and not excessive in total. An explanation of what the expense was for, date and cost must be submitted on the reimbursement form.

5. When an employee or elected official claims reimbursement for general business expenses incurred on behalf of another, in addition to other requirements, a detailed accounting must be attached to the expense reimbursement form which includes, at a minimum, the following:

    a. Name, department or vendor name, and title, if any, of the person(s) on whose behalf expenses were incurred; and
    b. Explanation/description of the connection to county business when expenses are incurred on behalf of others; and

c. A statement of county business carried out when the expenses were incurred; and
d. Provide list of vendor(s) that provided the business meals or other services;

F. County Credit Cards

1. Expenses related to official county business may be charged to county credit cards issued by Finance.

2. When pre-authorization is required, it must be obtained before the credit card purchase is made.

3. County issued credit cards may not be used for personal purchases.

4. See Credit Card Policy – 1210 located on the Finance SharePoint site for additional information.

G. Meeting and Training Expenses

I. General Requirements:

1. Conducting and attending meetings (i.e. regular meetings, trainings, seminars, retreats, forums, public events, association/trade meets) are a normal part of county business and may be paid for or reimbursed with County funds. When possible, these meetings should take place in County owned facilities to save costs. However, there are instances when that is not feasible. In those instances, fees and costs associated with securing an alternate venue are permissible and may be paid directly by the County or reimbursed. Meals associated with these meetings are ancillary to the meeting. Reimbursement for meals may be permissible (as detailed below) provided the primary purpose of the meeting is to conduct County business and not to provide a taxable fringe benefit to the employee.

2. For this section "county-only attendee(s)" is defined as county employees, elected officials, county boards, county commissions and quasi-employees.

3. The expenses of food and beverages served *during or directly before or after* business meetings and certain county-initiated training/workshop sessions as well as other associated business expenses (such as room rental, plates, cups, etc.) may qualify as general business expenses. See "Types of Meetings/Trainings" below.

4. Associated meeting and training business expenses, such as facility rental, catering, food and supplies, may be paid directly to the vendor with an authorized payment option offered by Finance, such as warrant, authorized electronic payment, county credit card or reimbursed to an employee using an Expense Reimbursement Form.

5. Pre-authorization using the Travel and Business Expense Authorization Form and all original receipts are required.

6. Pre-authorizations for recurring meeting and training expenses may cover a period-of-time ("blanket authorizations"); such pre-authorizations may cover no more than the current calendar year and must state a specific dollar amount for each type of expense. Blanket pre-authorizations must include:
   a) If serving food provide the policy number and section that allows the expense; and
   b) Number of meetings (e.g., four meetings, one in each month of January, April, July, and October); and
   c) Number of participants; and
   d) Explanation of recurring event.

7. Expenses must be reasonable and will not be reimbursed with a per diem allowance.

8. Meeting and training sessions held over a meal period should be avoided when possible.

9. Per the IRS, expenses associated with food/meals must be infrequent.

10. When room rental is required, prudent judgment shall be exercised when planning and incurring this type of expense.

11. If tipping is involved, the maximum tipping percentage allowed is 20% of the total bill (rounded up to the nearest dollar) unless the vendor requires a higher percentage due to serving a large group. Personal re-payment will be required for tips in excess of the allowable amounts.

12. When food is delivered to a department no more than 10% tipping is recommended.

II. Types of Meetings/County-Initiated Trainings:

1. Allowable meetings/trainings:
   a) County-initiated, county-only attendees (meetings/trainings are conducted by an elected official, department head or their designee); or
   b) County-initiated meetings for county and non-county attendees; or
   c) County attendee(s) at non-county-initiated meetings.

      a. The following are required for **county-initiated, county-only attendees** (includes retreats) meetings/trainings:
         1. No food and beverage expense should be more per county attendee than the current corresponding per diem meal rates listed at the GSA website: [US General Services Administration Per Diem Rates] per meal.

2. Documentation requirements (attach to Travel and Business Expense Authorization form):
    a. Explanation and reason for the function and all related expenses; and
    b. Agenda: attach to Travel and Business Expense Authorization form when available ahead of time, or to the reimbursement/payment request; and
    c. Attendance roster: If a roster is not available when requesting authorization include an estimate of the number of people expected to attend and include the roster when the reimbursement/payment request is submitted; and
    d. Pre-authorization: When the total expense (room rental, food, beverage, materials and other) is $500 or less only department head or designee pre-authorization is required. When the expense is more than $500 County Executive (or respective elected official) pre-authorization is required along with department head or designee pre-authorization.
3. This type of meeting does not apply to retirement recognition. See Section L.

b. The following documentation is required for **county-initiated meetings/trainings for combined groups of county and non-county attendees** (See also section H Public Events)(attach to Travel and Business Expense Authorization):
    1. Food and beverage expenses should be no more per county attendee than the current corresponding per diem meal rates listed at the GSA website: US General Services Administration Per Diem Rates per meal.
    2. Documentation requirements (attach to Travel and Business Expense Authorization form):
        a. Explanation and reason for the function and all related expenses; and
        b. Agenda: attach to Travel and Business Expense Authorization form when available ahead of time, or to the reimbursement/payment request; and
        c. Attendance roster: If roster is not available when requesting authorization include an estimate of the number of people expected to attend and include the roster when the reimbursement/payment request is submitted; and
    3. Pre-authorization: When the total expense (room rental, food, beverage, materials and other) is $500 or less department head or designee pre-authorization is required. When the expense is more than $500, County Executive (or respective elected official) pre-authorization is required along with department head or designee.

c. The following documentation is required for **county attendees at non-county initiated meetings** (including trade and professional association meetings):
    1. Explanation and reason for the business function; and

2. Agenda: attach to Travel and Business Expense Authorization form when available ahead of time, or to the reimbursement/payment request; and
3. Name of sponsorship group/business/event; and
4. Payment will be for actual expenses based on detailed receipt. Reimbursement is limited to no more than the current corresponding per diem meal rates listed at the GSA website.

H. Public Events

1. Snohomish County may pay for reasonable costs and expenses associated with public events where the majority of attendees are public taxpayers and event was advertised to the public.

2. These events must be open to the general public.

3. There must be a recognizable public purpose for the event and a reasonable relationship between the amount of public expenditure and the public nature of the event.

4. Funds paid to another entity must qualify as an allowable expenditure if made directly from the county to a vendor.

5. Must have pre-authorization using the Travel and Business Expense Authorization form with department head or designee and County Executive (or respective elected official) pre-authorization.

I. Meals Provided at the Convenience of the Employer

1. Snohomish County departments may provide meals to their employees under the following circumstance:
   a) When an employee is required to work overtime; and
   b) The overtime is a minimum of two hours beyond their regular work hours; and
   c) Meals are furnished on county premises or required work location; and
   d) Meals are furnished for the convenience of the department; and
   e) Meal expenses will be reimbursed based on receipt only, not per diem; and
   f) The department head or designee is timely notified that meals were provided.

2. Employees are not allowed to receive additional pay instead of meals unless negotiated under a union contract. If an employee is allowed to receive additional pay instead of a meal it will be taxable income and will be paid through the county's payroll system.

J. De Minimis Food and Beverages Provided by Employer

1. Departments may choose to provide occasional food and beverages which have a de minimis (see definitions section) value for infrequently held department common functions for

county employees only. De minimis food and beverage is not reportable on the employee's W-2.

2. Such expenses must be pre-authorized using the Travel and Business Expense Authorization form. When the total expense is $500 or less only department head or designee pre-authorization is required. When the expense is more than $500, County Executive (or respective elected official) pre-authorization is required along with department head or designee.

3. If expenses for such department functions are not de minimis and/or are not limited to county-only employees see section G, under Types of Meetings/Trainings.

4. De minimis food and beverage allowances are not allowed for payment of retirement related expenses, see section L.

K. Tuition Reimbursement

1. See Snohomish County Code 3A.06.080 for information concerning tuition reimbursement.

2. Some tuition reimbursements may be taxable per IRS rules. Please visit the IRS website (http://www.irs.gov/) for additional information.

L. Employee Achievement Awards

1. Achievement awards are for length of service, including retirement, or safety.

2. In addition to written acknowledgement, departments may also grant achievement awards with a monetary value as authorized by RCW 41.60.150 for tangible personal property (not cash or cash equivalent).

3. Achievement awards valued at or less than the RCW referenced above are not taxable to the employee.

4. Achievement awards for length of service cannot be awarded earlier than the 5th year of service. A traditional retirement award is an exception to the 5-year rule. Snohomish County has a general practice of recognizing employees every five years. See Human Resources for additional information.

5. Achievement award expenses are not to include the purchase of food, beverages, decorations, etc.

6. Achievement awards must be pre-authorized using the Travel and Business Expense Authorization form. When total expense is $500 or less only department head or designee

pre-authorization is required. When the expense is more than $500, County Executive (or respective elected official) pre-authorization is required along with department head or designee pre-authorization.

7. A qualifying achievement award:
   a) Can only be given for length-of-service (see definitions section) or safety; and
   b) Cannot be disguised as wages, or made under circumstances that create a significant likelihood of disguised wages; and
   c) Can only be awarded as part of a meaningful presentation; and
   d) Can only be an item of tangible personal property or non-negotiable certificate exchangeable only for tangible personal property. It cannot be cash, cash equivalent, vacations, meals, lodging, alcohol or alcohol related, theater or sports tickets, stocks, bonds, or other securities; and
   e) May include, but is not limited to, giving job related items such as office decorations, engraved items, clocks, pins, etc.

8. IRS regulations state safety achievement awards cannot be given to a manager, administrator, clerical employee, or other professional employee.

9. IRS regulations state employees receiving a safety achievement award must have worked full time for a minimum of one year prior to the award.

M. Employee Recognition Awards

1. Recognition awards are for outstanding job performance.

2. In addition to written acknowledgement, departments may also grant achievement awards with a monetary value as authorized by RCW 41.60.150.

3. Awards of this nature are generally taxable to the employee per IRS rules.

4. Awards cannot be given in the form of alcohol or alcohol related items, be given in the form of cash, gift cards, gift certificates, other cash equivalents, theater or sports tickets, personal check, or check issued by the county.

5. Awards must be given in a forum that is part of a meaningful presentation.

6. Specific accomplishments of an entire group or team may be recognized with a recognition award; however, this authority is not to be used to give awards to an entire group or team for doing a good job in general.

7. Recognition awards must be pre-authorized using the Travel and Business Expense Authorization form. When total expense is $500 or less only department head or designee pre-authorization is required. When the expense is more than $500, County Executive (or respective elected official) pre-authorization is required along with department head or designee pre-authorization.

N. County Provided Vehicles

County Department Directors and Elected Officials may authorize the taking home of County owned vehicles for purposes of commuting to and from work, see Executive Order 22-0873 Equipment Use Policy, chapter 9. In some instances providing an FLSA non-exempt employee a County owned vehicle for purposes of commuting to and from work may require compensation for commute time when would otherwise not be required.

RECORDS:

Records shall be readily assessable, legible, traceable to the signature, and protected from degradation.

DEFINITIONS:

Definitions applicable to this Policy:

Achievement Award: An item of tangible personal property (not cash) for length-of-service or safety.

Authorized County Credit Card: Credit cards issued by Finance.

Cash Equivalent: Readily convertible to cash, i.e., a voucher for merchandise, a savings bond, or a gift certificate.

De Minimis: The County defines de minimis as no more than 50 percent of the current applicable per diem rate per person per meal. This includes all taxes and tips.

Detailed Receipts: Receipts which include a list of items purchased; their cost; and method of payment. A receipt showing only the total of the purchase does not qualify for a detailed receipt.

Immaterial: Inconsequential, of no substantial consequence, unimportant and under $25 in annual aggregate value.

Length-of-Service: For county purposes length of service achievement milestones are in increments of 5 years starting with the 5th year of completed employment. Additional achievement awards are at 10, 15, 20, 25 years, etc.

General Business: General business expenses are purchases of goods or services that are unrelated to travel see "Travel Expenses" below. General business expenses also include meals as defined in section G.

Per Diem: Daily travel costs covering meal and incidental expenses while in travel status. Amounts are set by the IRS based on location.

Quasi-employees: Non-compensated volunteers, advisory committee members, and others who are participating in a public business, but are not on the public payroll.

Recognition Award: For outstanding job performance

Regular Work Schedule: Hours a person normally works, assigned hours of work.

Travel Expenses: Expenses incurred when business is conducted away from home. Travel expenses include transportation (e.g., airfare, taxi, rideshare, rental car, or shuttle), mileage, lodging, meals. Also, see Finance Policy #1211, Travel Expenses.

Travel Status: The official status of a traveler when the traveler is away from both the official residence and the official workstation, exclusive of commuting between the traveler's official workstation and official residence, on county-related business.

REFERENCES: (Note: Regulatory references should only be listed above)

- **Travel Policy – 1211**
- **Credit Card Policy – 1210**
- All related forms, procedures and policies are located on Finance's AP SharePoint site: Finance Accounts Payable SharePoint

REVISION TABLE

Date	Description of changes
11-01-2025	General update of the policy
01/15/2020	
04/01/2007	

APPROVAL TABLE (highlighted area must always approve)

Role/Title	Approve	Notification of Change
Operational Excellence	X	
Policy Owner/ Finance	X	
Director of Finance	X	
County employees, elected officials		X