

Overview of "Local Government Travel Expense Control Act"

At a minimum the Board must approve by resolution; 1) the types of official business for which travel, meal and lodging expenses are allowed; 2) the maximum allowable reimbursement for such expenses; and 3) a standardized form for use in obtaining reimbursement. For our district this goes into effect March 2, 2017.

Board Policy 2:125 answers item #1 above, and Board Policy 5:60 addresses #1 for employees. We may need to do some work on #2 and while we have forms for #3, these forms probably need some updates. I wanted to bring this to your attention early and I will include updates as they are developed.

I have also included the text for the Gift Ban Act. This often surfaces as vendors develop public relations campaigns around the time of the Tri-Conference.

Law Alert - New Law Requires Board Regulation of Travel Reimbursement and Prohibits Certain "Entertainment" Expenditures

1 message

Caitlin O'Neill <coneill@robbins-schwartz.com>
Reply-To: coneill@robbins-schwartz.com
To: skuffel@geneseoschools.org

Mon, Jul 25, 2016 at 4:52 PM

July 25, 2016

New Law Requires Board Regulation of Travel Reimbursement and Prohibits Certain "Entertainment" Expenditures

On July 22, 2016, Governor Rauner signed into law the Local Government Travel Expense Control Act. The law requires all school districts, community colleges and units of local government other than home rule municipalities to regulate by resolution or ordinance the reimbursement of all travel, meal and lodging expenses for its officers and employees. At a minimum the regulations must include (1) the types of official business for which travel, meal and lodging expenses are allowed; (2) the maximum allowable reimbursement for such expenses; and (3) a standardized form for use in obtaining reimbursement. The regulations should provide that the form submitted for reimbursement must be supported by certain information, at least including the name and title of the requestor, a cost estimate of expenses not yet incurred or a receipt if expenses have been incurred, and the date or dates the expenses were or will be incurred. The law contemplates public bodies adopting more stringent rules and restrictions on travel related expenses for officials and board members.

The Act also prohibits local public agencies from reimbursing expenses for "entertainment," which is specifically defined in the Act and includes things like shows and sporting events. Using language that is bound to create uncertainty, excluded from the definition—and therefore reimbursable—is entertainment expenses that are "ancillary to the purpose of the program or event." Until there is some additional guidance by case law, what is "ancillary to the purpose of the program or event" should be a common sense determination made on a case by case basis.

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→ Starting September 20, 2016 (60 days after Act was signed), a roll call vote of the governing board is required for approval of the expenses of an officer or employee that exceeds the maximum allowable reimbursement. Additionally, starting September 20, 2016, all expenses, regardless of amount, must be approved by roll call vote for any member of the governing board. The new law makes clear that all documents and information submitted under the Act are subject to disclosure under the Freedom of Information Act.

On and after January 18, 2017 (180 days after Act was signed) no travel, meal or lodging expenses can be approved or paid unless regulations have been adopted by the local public agency. Given the upcoming deadlines, it is important for local Boards to not delay in considering—and implementing—the required regulations.

Law Alert - Effective Date for Local Government Travel Expense Control Act

1 message

Caitlin O'Neill <coneill@robbins-schwartz.com>

Tue, Jul 26, 2016 at 3:34 PM

Reply-To: coneill@robbins-schwartz.com

To: skuffel@geneseoschools.org

July 26, 2016

Effective Date for Local Government Travel Expense Control Act

On July 22, 2016, Governor Rauner signed the Local Government Travel Expense Control Act. In a Law Alert yesterday we described that the law, among other things, requires all school districts, community colleges and units of local government other than home rule municipalities to regulate by resolution or ordinance the reimbursement of all travel, meal and lodging expenses for its officers and employees.

The Act contains no effective date, but because it passed both houses on May 19, 2016, by operation of law the bill is not effective until January 1, 2017. This means that starting March 2, 2017 (not September 20, 2016) a roll call vote of the governing board is required for approval of the expenses of an officer or employee that exceeds the maximum allowable reimbursement, and also starting March 2, 2017, all expenses, regardless of amount, must be approved by roll call vote for any member of the governing board.

On and after June 30, 2017 (not January 18, 2017) no travel, meal or lodging expenses can be approved or paid unless regulations have been adopted by the local public agency.

These deadlines are more forgiving than if the Act had been made effective immediately. Still, with the Act effective starting on January 1, it is important for local boards to not delay in considering and implementing the required regulations.

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1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Local
5 Government Travel Expense Control Act.

6 Section 5. Definitions. As used in this Act:

7 "Entertainment" includes, but is not limited to, shows,
8 amusements, theaters, circuses, sporting events, or any other
9 place of public or private entertainment or amusement, unless
10 ancillary to the purpose of the program or event.

11 "Local public agency" means a school district, community
12 college district, or unit of local government other than a home
13 rule unit.

14 "Travel" means any expenditure directly incident to
15 official travel by employees and officers of a local public
16 agency or by wards or charges of a local public agency
17 involving reimbursement to travelers or direct payment to
18 private agencies providing transportation or related services.

19 Section 10. Regulation of travel expenses. All local public
20 agencies shall, by resolution or ordinance, regulate the
21 reimbursement of all travel, meal, and lodging expenses of
22 officers and employees, including, but not limited to: (1) the

1 types of official business for which travel, meal, and lodging
2 expenses are allowed; (2) maximum allowable reimbursement for
3 travel, meal, and lodging expenses; and (3) a standardized form
4 for submission of travel, meal, and lodging expenses supported
5 by the minimum documentation required under Section 20 of this
6 Act. The regulations may allow for approval of expenses that
7 exceed the maximum allowable travel, meal, or lodging expenses
8 because of emergency or other extraordinary circumstances. On
9 and after 180 days after the effective date of this Act of the
10 99th General Assembly, no travel, meal, or lodging expense
11 shall be approved or paid by a local public agency unless
12 regulations have been adopted under this Section.

13 Section 15. Approval of expenses. On or after 60 days after
14 the effective date of this Act of the 99th General Assembly,
15 expenses for travel, meals, and lodging of: (1) any officer or
16 employee that exceeds the maximum allowed under the regulations
17 adopted under Section 10 of this Act; or (2) any member of the
18 governing board or corporate authorities of the local public
19 agency, may only be approved by roll call vote at an open
20 meeting of the governing board or corporate authorities of the
21 local public agency.

22 Section 20. Documentation of expenses. Before an expense
23 for travel, meals, or lodging may be approved under Section 15
24 of this Act, the following minimum documentation must first be

1 submitted, in writing, to the governing board or corporate
2 authorities:

3 (1) an estimate of the cost of travel, meals, or
4 lodging if expenses have not been incurred or a receipt of
5 the cost of the travel, meals, or lodging if the expenses
6 have already been incurred;

7 (2) the name of the individual who received or is
8 requesting the travel, meal, or lodging expense;

9 (3) the job title or office of the individual who
10 received or is requesting the travel, meal, or lodging
11 expense; and

12 (4) the date or dates and nature of the official
13 business in which the travel, meal, or lodging expense was
14 or will be expended.

15 All documents and information submitted under this Section are
16 public records subject to disclosure under the Freedom of
17 Information Act.

18 Section 25. Entertainment expenses. No local public agency
19 may reimburse any governing board member, employee, or officer
20 for any entertainment expense.

School Board

Ethics and Gift Ban

Prohibited Political Activity

The following precepts govern political activities being conducted by District employees and School Board members:

1. No employee shall intentionally perform any political activity during any compensated time, as those terms are defined herein.
2. No Board member or employee shall intentionally use any property or resources in connection with any political activity.
3. At no time shall any Board member or employee intentionally require any other Board member or employee to perform any political activity: (a) as part of that Board member's or employee's duties, (b) as a condition of employment, or (c) during any compensated time off, such as holidays, vacation, or personal time off.
4. No Board member or employee shall be required at any time to participate in any political activity in consideration for that Board member or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise; nor shall any Board member or employee be awarded additional compensation or any benefit in consideration for his or her participation in any political activity.

A Board member or employee may engage in activities that: (1) is otherwise appropriate as part of his or her official duties, or (2) is undertaken by the individual on a voluntary basis that is not prohibited by this policy.

Limitations on Receiving Gifts

Except as permitted by this policy, no Board member or employee, and no spouse of or immediate family member living with any Board member or employee shall intentionally solicit or accept any gift from any prohibited source, as those terms are defined herein, or that is otherwise prohibited by law or policy. No prohibited source shall intentionally offer or make a gift that violates this policy.

The following are exceptions to the ban on accepting gifts from a prohibited source:

1. Opportunities, benefits, and services that are available on the same conditions as for the general public.
2. Anything for which the Board member or employee, or his or her spouse or immediate family member, pays the fair market value.
3. Any: (a) contribution that is lawfully made under the Election Code, or (b) activities associated with a fund-raising event in support of a political organization or candidate.
4. Educational materials and missions.
5. Travel expenses for a meeting to discuss business.
6. A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-

law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancé or fiancée.

7. Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her spouse or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as: (a) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals; (b) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (c) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other Board members or employees, or their spouses or immediate family members.
8. Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are: (a) consumed on the premises from which they were purchased or prepared; or (b) catered. *Catered* means food or refreshments that are purchased ready to consume, which are delivered by any means.
9. Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of a Board member or employee), if the benefits have not been offered or enhanced because of the official position or employment of the Board member or employee, and are customarily provided to others in similar circumstances.
10. Intra-governmental and inter-governmental gifts. *Intra-governmental gift* means any gift given to a Board member or employee from another Board member or employee, and *inter-governmental gift* means any gift given to a Board member or employee by an officer or employee of another governmental entity.
11. Bequests, inheritances, and other transfers at death.
12. Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Each of the listed exceptions is mutually exclusive and independent of every other.

A Board member or employee, his or her spouse or an immediate family member living with the Board member or employee, does not violate this policy if the recipient promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501 (c)(3) of the Internal Revenue Code.

Enforcement

The Board President and Superintendent shall seek guidance from the Board attorney concerning compliance with and enforcement of this policy and State ethics laws. The Board may, as necessary or prudent, appoint an Ethics Advisor for this task.

Written complaints alleging a violation of this policy shall be filed with the Superintendent or Board President. If attempts to correct any misunderstanding or problem do not resolve the matter, the Superintendent or Board President shall, after consulting with the Board attorney, either place the alleged violation on a Board meeting agenda for the Board's disposition or refer the complainant to

Board policy 2:260, *Uniform Grievance Procedure*. A Board member who is related, either by blood or by marriage, up to the degree of first cousin, to the person who is the subject of the complaint shall not participate in any decision-making capacity for the Board. If the Board finds it more likely than not that the allegations in a complaint are true, it shall notify the State's Attorney and/or consider disciplinary action for the employee.

Definitions

Unless otherwise stated, all terms used in this policy have the definitions given in the State Officials and Employees Ethics Act, 5 ILCS 430/1-5.

Political activity means:

1. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
2. Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
3. Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
4. Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
5. Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
6. Assisting at the polls on Election Day on behalf of any political organization or candidate for elective office or for or against any referendum question.
7. Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
8. Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
9. Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
10. Preparing or reviewing responses to candidate questionnaires.
11. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
12. Campaigning for any elective office or for or against any referendum question.
13. Managing or working on a campaign for elective office or for or against any referendum question.
14. Serving as a delegate, alternate, or proxy to a political party convention.
15. Participating in any recount or challenge to the outcome of any election.

With respect to an employee whose hours are not fixed, *compensated time* includes any period of time when the employee is on premises under the control of the District and any other time when the employee is executing his or her official duties, regardless of location.

Prohibited source means any person or entity who:

1. Is seeking official action by: (a) a Board member, or (b) an employee, or by the Board member or another employee directing that employee;
2. Does business or seeks to do business with: (a) a Board member, or (b) an employee, or with the Board member or another employee directing that employee;
3. Conducts activities regulated by: (a) a Board member, or (b) an employee or by the Board member or another employee directing that employee;
4. Has an interest that may be substantially affected by the performance or non-performance of the official duties of the Board member or employee;
5. Is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors; or
6. Is an agent of, a spouse of, or an immediate family member living with a prohibited source.

Gift means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of a Board member or employee.

LEGAL REF.: 5 ILCS 430/, State Officials and Employees Ethics Act.
10 ILCS 5/9-25.1 Election Interference Prohibition Act.

CROSS REF.: 5:120 (Ethics and Conduct)

Adopted By Board Action 11/14/2007
Amended by Board Action 06/11/2015

School Board

Board Member Expenses

No School Board member may receive compensation for services, except that a Board member serving as the Board Secretary may be paid an amount up to the statutory limit if the Board so provides.

The Board may advance or reimburse members the actual and necessary expenses incurred while attending:

1. Meetings sponsored by the Illinois State Board of Education or by the Regional Superintendent of Schools;
2. County or regional meetings and the annual meeting sponsored by any school board association complying with Article 23 of the School Code; and
3. Meetings sponsored by an organization in the field of public school education.

In addition, the Board may reimburse a member for registration fees or tuition for a course that allowed the member to comply with the mandatory training described in policy 2:120, *Board Member Development*.

Expense reimbursement is not guaranteed and Board members should seek pre-approval of expenses, except in situations when the expense is diminutive. A Board member must return to the District any portion of an expense advance not used. Members must submit an itemized, signed voucher to support any expense advanced or to seek expense reimbursement. The voucher must show the amount of actual expense, attaching receipts if possible. A Board member submitting a bill for a group function should record participating members' names on the receipt. Money shall not be advanced or reimbursed for: (1) the expenses of any person except the Board member, or (2) anyone's personal expenses.

The Superintendent shall review the submitted vouchers for compliance with this policy. If any voucher's compliance appears uncertain, the Superintendent shall notify the Board President or Vice President if the voucher in question is from the President, as well as the Board member who submitted the voucher. The Superintendent shall include the voucher in the monthly list of bills that is presented to the Board for approval or rejection.

Registration

When possible, registration fees will be paid by the District in advance.

Transportation

The least expensive transportation will be used, providing that no hardship will be caused to the Board member. Board members will be reimbursed for:

1. Air travel at the coach or single class commercial airline rate. First class air travel will be reimbursed only if emergency circumstances warrant. The emergency circumstances must be explained on the expense voucher. Copies of airline tickets must be attached to the expense voucher.
2. Rail or bus travel at actual cost. Rail or bus travel costs may not exceed the cost of coach airfare. Copies of tickets will be attached to the expense voucher to substantiate amounts.
3. Use of personal automobiles at the standard mileage rate approved by the Internal Revenue Service for income tax purposes. The reimbursement may not exceed the cost of coach

airfare. Mileage for use of personal automobiles in trips to and from transportation terminals will also be reimbursed. Toll charges and parking costs will be reimbursed.

4. Automobile rental costs when the vehicle's use is warranted. The circumstances for such use must be explained on the expense voucher.
5. Taxis, airport limousines, or other local transportation costs.

Hotel/Motel Charges

Board members should request conference rate or mid-fare room accommodations. A single room rate will be reimbursed. Board members should pay personal expenses at checkout. If that is impossible, deductions for the charges should be made on the expense voucher.

Meal Charges

Meal charges to the School District should represent mid-fare selections for the hotel/meeting facility or general area. Tips are included with the meal charges. Expense vouchers must explain the meal charges incurred.

Miscellaneous Expenses

Board members may seek reimbursement for other expenses incurred while attending a meeting sponsored by organizations described herein by fully describing the expenses on the expense voucher, attaching receipts if possible.

LEGAL REF.: 105 ILCS 5/10-20 and 5/10-22.32.

CROSS REF.: 2:100 (Board Member Conflict of Interest), 2:120 (Board Member Development), 4:50 (Payment Procedures)

Adopted by Board Action 09/03/1985
Amended by Board Action 03/03/1998
Amended by Board Action 03/06/2001
Amended by Board Action 11/14/2007
Amended by Board Action 12/13/2012
Reviewed by Board Action 06/11/2015

General Personnel

Expenses

The School Board shall reimburse employees for expenses necessary for the performance of their duties, provided the Superintendent or designee has approved the expenses, in advance. If the anticipated expense amount exceeds budgeted amounts, prior Board approval is required.

Employees must submit to the Superintendent an itemized, signed voucher showing the amount of actual expenses, attaching receipts to the voucher if possible. Expense vouchers shall be presented to the Board in its regular bill process.

LEGAL REF.: 105 ILCS 5/10-22.32.

Adopted by Board Action 05/01/2001
Amended by Board Action 03/12/2009

General Personnel

Administrative Procedure - Expenses

Registration Fees

When possible, registration fees will be paid by the District in advance.

Transportation Costs

The least expensive transportation shall be used. Employees will be reimbursed for:

1. Air travel at the coach or single class commercial airline rate. Copies of airline tickets must be attached to the expense voucher.
2. Rail or bus travel at actual cost. Rail or bus travel costs may not exceed the cost of coach airfare. Copies of tickets will be attached to the expense voucher to substantiate amounts.
3. Use of personal automobiles at the standard mileage rate approved by the Board of Education when a District vehicle is unavailable. The reimbursement may not exceed the cost of coach airfare. Mileage for personal automobile use in trips to and from transportation terminals will also be reimbursed. Toll charges and parking costs will be reimbursed.
4. Automobile rental costs when the vehicle's use is warranted. The circumstances for such use must be explained on the expense voucher.
5. Taxis, airport limousines, or other local transportation costs.

Hotel/Motel Charges

Employees should request conference rate or midfare room accommodations. A single room rate will be reimbursed. Other expenses incurred by employees will be reimbursed when specifically related to School District business. The expense voucher or hotel bill must explain the types of expenses incurred.

Employees shall pay personal expenses that are charged to hotel room bills at check-out. If this is not possible, deductions for the charges should be made on the expense voucher.

Meal Charges

Meal charges to the School District should represent "midfare" selections for the hotel/meeting facility or general area. Tips shall be included with the meal charges. Expense vouchers must explain the meal charges incurred.

Personal Charges

All personal travel costs must be excluded from the expense voucher.

Superintendent Review September, 2009