

COMPARED VERSION
NEW ORDINANCE TO CODE BOOKS

ORDINANCE NO. 250034

Amending Chapter 2, Administration, Article XV, Code of Ethics, by repealing and replacing Sections 2-2060, 2-2061, and 2-2062 to modify allowable business and travel expenses and provide the internal auditor authority to audit travel expenses of the office of the mayor and city council, and city departments.

WHEREAS, the City has a Code of Ethics in its Code of Ordinances; and

WHEREAS, the Code of Ethics provides for business and travel expenses of elected officials and city employees; and

WHEREAS, expense reimbursements must have a public purpose; and

WHEREAS, expenses reimbursements should be subject to audit by the city's internal auditor; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 2, Article XV, Code of Ethics, of the City of Kansas City is hereby amended by repealing Sections 2-2060, 2-2061, and 2-2062, and enacting in lieu thereof a new section of like number and subject matter to read as follows:

Sec. 2-2060. Business expenses.

(a) *Public purpose required.* The use of public funds is limited to public purposes, which may include appropriate city business expenses. City business expenses will differ from department to department and from official to official.

(b) *Recognized public purposes.* Participation in entities that encourage business and tourism in the city, encourage professional development of elected officials, officers and employees, and encourage other public activities and entertainment are appropriate public expenses. Sponsorship of an event may constitute a public purpose if such sponsorship is approved by the city manager. Expenditures for city purposes shall be deemed to include registration fees; transportation costs; lodging expenses; meals; and alcoholic and non-alcoholic beverages; employee expense; office supplies and equipment; books and subscriptions; and similar operational expenses. Listing examples of public purposes does not limit the possible activities that may constitute a public purpose.

(c) *Recognized non-public purposes.* Participation in political affairs or self-promotion by any elected official or employee is not a public purpose. Expenditures for city purposes exclude donations of money or goods to organizations unless authorized by ordinance, the purchase of

advertising, personal lodging, meals, or alcoholic and non-alcoholic beverages, personal entertainment, and any similar expense not directly related to conducting city business.

(d) *Commission guidance.* If in doubt concerning the expenditure of public money, officials or employees should consult with the commission.

Sec. 2-2061. Council expense accounts.

(a) *Reimbursement.* No councilmember shall seek or cause others to seek reimbursement from city funds in a manner inconsistent with sound financial procedures.

(b) *Sound financial procedures defined.* For purposes of this section, sound financial procedures shall require that:

- (1) *Reconciliation of prior expenses required.* No councilmember shall be eligible for expenditure from council or mayor expense accounts unless prior expenses are reconciled.
- (2) *Receipts or statement of expenses required.* No councilmember shall seek reimbursement unless receipts are provided therefor, or in lieu of receipts, the councilmember signs a statement verifying the amount expended, the date of expenditure, the purpose of the expenditure, and the place such funds were expended.
- (3) *Limited to city business.* No councilmember shall seek or receive reimbursement for any expenditure other than those incurred by such councilmember and related to city business. City business expenses must facilitate the carrying out of a councilmember's duties as an elected official and shall include, but not be limited to:
 - a. Hosting community forums, including providing food and beverages; and
 - b. Purchasing appreciation gifts for service to the city; and
 - c. Providing supplies to organizations for distribution to citizens in need; and
 - d. Contributing funds to a community service, such as dumpster rental; and
 - e. Professional development related to the official's duties; and
 - f. Sponsorship of a community event.

Reimbursement of any funds for political or personal purposes is prohibited.

- (4) *Communications equipment.* No councilmember shall seek reimbursement for use of any communication equipment except for city business. "Communication

equipment" shall include personal computers with communication capability, modems, fax machines, cellular telephones, radio equipment with telecommunication capability, mobile data terminals and related software.

(c) *Consent to paycheck deductions.* To be eligible for travel advances councilmembers will execute their consent to paycheck deduction in accordance with this section for the recovery of advances not properly reconciled as required by this section.

(d) *Deadline for reconciliation.* Expenses shall be reconciled within 30 days of incurring the expense, or the completion of travel, whichever is later.

(e) *Role of the internal auditor.*

(1) *Quarterly review.* In order to affirm the fiduciary relationship of the council members to the expenditure of public funds, the internal auditor shall quarterly review all reimbursements to the council and mayor. A written summary report will be provided by the internal auditor to the councilmembers within 30 days of the end of each quarterly review period.

(2) *Additional reviews authorized.* The internal auditor shall also have the authority to review other expenditures authorized by the mayor or council members on the internal auditor's own initiative or at the request of the mayor or mayor pro tem.

(f) *Sanctions.*

(1) *Prosecution and other actions.* Unless otherwise provided, the provisions of this section shall be subject to the penalty and sanctions provided in division 10 of this article subject to the determination by the ethics commission as set forth in that division.

(2) *Failure to reconcile expenses.*

a. *No prosecution.* A violation of subsection (d) shall not result in prosecution under section 2-2100.

b. *Automatic deduction from councilmember's paycheck.*

1. *Notice by the internal auditor.* The internal auditor shall inform the mayor and mayor pro tem of a failure to comply with subsection (d).

2. *Mayor pro tem to direct withholding of pay.* Within seven calendar days the mayor pro tem shall direct that the amount of any advance received by the mayor or council member that is not reconciled within the terms of subsection (d) shall be deducted from the mayor's or council member's next paycheck consistent with the policy and practices of the finance department. An advance that

exceeds the net amount of a paycheck shall be spread over two or more pay periods until the advance is recovered.

3. *Reconciliation of expenses not precluded.* The mayor or council member may reconcile their expenses in accordance with this section and the policy and practices of the finance department after the recovery of the expense advance.

(g) *Preclusion of travel advances.* Nothing in this code of ethics precludes the mayor or the mayor pro tem for the members of the city council from establishing a policy that denies travel advances to the mayor or members of the city council and their staffs.

Sec. 2-2062. Travel and other expenses.

(a) *Travel expenses—All officials and employees.*

- (1) *Report required.* An official or employee traveling on business for the city shall report all expenses incurred by the city for every business trip.
- (2) *Third party expenses.* When expenses for an official or employee are incurred by a person other than that official or employee, the reimbursement request will clearly state by whom the additional expenses were incurred.
- (3) *Maintenance of reports.* These reports shall be maintained by each department or office. The mayor's office shall maintain reports for the mayor and all employees of that office. The mayor pro tem shall maintain reports for the members of the council and all employees of the council.
- (4) *Reconciliation of advances.*
 - a. *Deadline for reconciliation.* Expenses shall be reconciled within 30 days of incurring the expense, or the completion of travel, whichever is later. The director of finance is authorized to reduce this period through the director's manual of instructions applicable to all employees.
 - b. *Consent to paycheck deductions.* To be eligible for travel advances, an official or employee will execute their consent to paycheck deduction in accordance with this section for the recovery of advances not properly reconciled as required by this section.
 - c. *Automatic deduction from paycheck.* Within seven calendar days after the reconciliation is due, the director of finance shall notify the delinquent public official, including an employee, that the amount of any advance received by the official or employee that is not reconciled within seven days shall be deducted from the next or following paycheck depending upon administrative ability of the finance department to provide for the

deduction, consistent with the policy and practices of the finance department. An advance that exceeds the net amount of a paycheck shall be spread over two or more pay periods until the advance is recovered based upon a plan authorized by the director of finance.

d. *Reconciliation of expenses not precluded.* The official or employee may reconcile their expenses in accordance with this section and the policy and practices of the finance department after the recovery of the expense advance.

(5) *Preclusion of travel advances.* Nothing in this code of ethics precludes the city manager or any department director from establishing a policy that denies travel advances to any or all officials or employees.

(b) *Department expenses incurred for mayor and council members.* When a city department, other than the office of the mayor or the city council office, incurs any expense, the benefit of which goes to a councilmember, whether reimbursed to another or paid directly by the department, a report will be forwarded by that department to the internal auditor within ten days of incurring the expense. The internal auditor shall retain authority to audit travel reimbursements of the office of mayor and city council, and city departments.

Approved as to form:

Katherine Chandler
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