

Expense Reimbursements, Travel, Vehicle Use Policies

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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T.C.A. §§ 6-54-901 provides that municipalities are authorized to reimburse expenses related to the office of the mayor; members of the governing body, boards, commissions, or committees; and to any official or employee whose salary is set by charter or general law. To reimburse such expenses, a city must:

- pass an ordinance authorizing a written expense reimbursement policy, which must be filed with the comptroller's office unless the city adopts MTAS's model policy. If the city adopts the MTAS model policy, it must notify the comptroller in writing that the policy was adopted and the date it was adopted;
- require the chief administrative officer or his or her designee to prescribe expense forms, examine expense reports, and determine whether it is reimbursable; and
- adopt a written vehicle use policy separate from the travel and expense policy.

Cities may pay travel expenses directly to the provider rather than to the official or employee. Municipalities and metropolitan governments with a population of greater than 100,000 are exempt from these provisions. T.C.A. §§ 6-54-907, *et seq.*

If officials or employees are overcompensated for an expenditure, the overage is considered salary T.C.A. § 6-54-902. Such a payment could exceed salary limitations set in the charter, and this could violate T.C.A. § 39-16-402(a)(5). Receiving any benefit not otherwise authorized by law is a Class E felony.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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