

South Tahoe Public Utility District Board Policy Manual

Business Expense, Credit Card, Vehicle Use & Reimbursement Policy 2140-10

2140.10 The purpose of these guidelines and regulations is to furnish rules and procedures for members of the Board of Directors in incurring expenses for the purpose of furthering the interests of the District and for claiming reimbursements for such purposes.

2140.20 Expenditures for lodging, meals, transportation and other activities should provide for reasonable comfort and convenience. It should be borne in mind, however, that public funds are being spent and that only a reasonable level of expense is warranted. Authorized business expenses shall not include costs associated with a Board members' spouse. To receive reimbursement for out of pocket expenses, it is suggested that Board Members complete the District's Business Expense Report within one week from return from travel, and no longer than 30 days from return from travel.

2140.30 Since circumstances vary considerably in those instances where Directors must incur expenses, care by those incurring expenses, and supervision by those approving expense accounts is the most effective method of control over expenditures. When expenses that might be regarded as out of the ordinary are foreseen, instructions or approval should be sought by a majority of the Board before incurring the expense.

2140.40 A majority of the Board may reject or reduce claims for reimbursement resulting in any unauthorized expenses including but not limited to travel, inappropriate selection of class of transportation, lodging, or meals. Any disputed, unsubstantiated, incomplete or late expense reports may be submitted to the Executive Committee for consideration of extenuating circumstances. If the Executive Committee determines extenuating circumstances exist, they may approve the claim.

2140.41 In the event an appeal is submitted by a member of the Executive Committee, the remaining Executive Committee member shall appoint one other Board Member to assist in resolving the appeal.

2140.50 Definitions:

2140.51 "Travel" shall mean attendance at meetings, conferences, or other functions on District business at other than the District headquarters or temporary headquarters or, normal meeting places or, in the Directors' residences or places of business.

2140.52 "Overnight travel" shall mean travel which prevents Directors from spending their usual sleeping hours at their residences.

2140.53 "Business meal" shall be one in which Directors provide themselves and non-employees meals and beverages (except alcoholic beverages), ordinarily associated

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with normal eating customs under circumstances which are generally considered to be conducive to furthering the business of the District and where the subject matter of the discussion is of importance to the District.

2140.54 "Mileage reimbursement" shall mean the sum of business miles driven outside of the District's service boundaries (commuting expenses between a Board Member's residence and places of business within the District's service boundaries are not reimbursable; however, for the purpose of this section, mileage within Alpine County is considered to be outside of the District's service boundaries and shall be eligible for reimbursement) times the currently approved established Internal Revenue Service standard mileage rate to reflect reimbursement for the use of a personal vehicle. The Internal Revenue Service standard mileage rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. Mileage reimbursement claims shall be submitted per Section 2140.20.

2140.55 Directors who are paid mileage reimbursement for use of privately owned automobile for District business shall possess a valid driver's license, and maintain insurance on such automobile with proper liability coverage.

2140.60 Authorized Expenses:

2140.61 It is the policy of South Tahoe Public Utility District to encourage Board development and excellence of performance by reimbursing authorized expenses, not deemed unreasonable, by a majority of the Board.

The following types of activities generally constitute authorized expenses:

(1) Communicating with representatives of regional, state and national governments on District positions; (2) Attending educational seminars designed to improve officials' skills and information levels; (3) Participating in regional, state and national organizations whose activities affect the District's interests.

2140.62 Expenses may include miscellaneous expenses not specifically identified above, however, a Board member requesting reimbursement for miscellaneous expenses not specifically identified above shall have the burden of establishing the practical need for incurring the expense in order to conduct official duties. All reimbursement of expenses shall be pursuant to District Policy 2140.

2140.63 Travel - Expenses may include District business telephone calls, District business meals, common carrier fares, rental of automobiles, parking fees, and mileage reimbursement for the use of personal automobiles as described in Section 2140.54 above.

2140.64 Overnight Travel - Expenses may include business telephone calls, including one telephone call per day to Directors' family, common carrier fares, rental of automobiles,

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use of personal vehicles, meals and lodging, and other expenses essential to the business of the District and the ordinary personal comfort of the traveler. Expenses incurred by any family members accompanying the Director are not reimbursable.

2140.65 Car Rental – It may be necessary to rent a car when traveling to conferences and/or training in remote areas. When renting a car, rent the most economical vehicle for the travel required. There are 3 rental car options available: (1) Rent a car using the District credit card; (2) Rent a car using the District's corporate account with Budget car rental agency; and (3) Rent a car using a personal credit card. If Option 3 is chosen, it must be approved in advance and reimbursement for the rental car will not be issued until AFTER travel occurs. If the Director is under the age of 25, Option 2 must be used. Under all options, Directors will accept the rental company's insurance. The use of rental vehicles should be coordinated among Directors traveling on District business to the same location.

2140.66 Meals & Incidentals Expense – Meals and Incidental Expense allowances conform to the IRS regular federal per diem rate method. A completed travel form must be submitted in advance of the event to allow processing time. Once a completed and approved travel form has been received by Accounts Payable, the Director will be issued a per diem check on the Payment of Claims prior to the travel. The Director should make every effort to meet the Payment of Claims deadline prior to the event to obtain meal allowance in advance. Federal per diem rates are published by the General Services Administration for each locality and are available on the internet at www.gsa.gov. Should a per diem be received for a meal that is ultimately not needed, that amount should be repaid to the District upon return from travel.

Partial meal and incidental expense allowances can be paid for multiple day conferences, seminars, and business that require partial day travel. No meal allowance will be provided if meals are included in the conference or training package.

Use of District credit card for training related meals is discouraged. Should you decide to utilize your credit card, bear in mind that meals charged to credit cards will only be allowed up to the amount of the established Internal Revenue Service rate. Any overages must be repaid to the District upon submittal of reimbursement request. A Director who provides a business meal for a guest or guests must provide on their expense report the guest or guests name or names and the business reason for the expense.

2140.67 The annual Conflict of Interest process requires that public officials must report any gifts or meals of \$50 or more from a single source in a calendar year. All gifts from a single source are aggregated to determine if the threshold has been met.

2140.68 Transportation – The type of transportation used shall be based on the lowest cost to the District after all costs are considered as follows: (1) Travel by common carrier bus or train shall not be required; (2) Air travel shall be by coach or economy class.

In some instances, Directors choose to drive their own vehicle to training destinations where air travel/shuttles would have been the most economical alternative. In order to

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provide Directors a consistent method to determine reimbursement amounts the following procedures will be applied.

(1) Air travel reimbursement amount will be documented by the Director via the Yahoo! Travel site (<http://travel.yahoo.com/>). Documentation for air travel shall be provided with the completed District travel form at least 21 days prior to the date of travel. The most economical flight results for the dates of travel will be reimbursed.

Note: When inquiring airline ticket prices in the Yahoo! Travel site, use the approved travel dates that would have been used had the Director opted for air travel. If travel has already occurred, airline ticket prices shall be taken from the Yahoo! Travel site using the following criteria: at least 21 day advance purchase, non-holiday time period, same weekdays as conference travel required; (2) The cost of the current round trip Casino shuttle to Reno/Tahoe International Airport will be reimbursed; and (3) Cost of shuttle service from the destination airport to hotel site will be reimbursed. If proof of cost is not provided, \$30.00 will be allowed for this service.

When traveling by plane and ground transportation from an airport to a hotel is necessary, taxis will only be used when a less expensive form of travel (i.e., shuttle service) is not available.

This travel transportation policy is not intended to cause excessive use of personal time to achieve the absolute lowest travel cost. Assistance with travel and training arrangements will be given by District staff upon request.

Any Director who obtains an airline ticket paid by the District for the purpose of combining personal travel with District travel, or for travel with a family member, shall, prior to receipt of such tickets, make payment for the portion of cost attributed to personal travel or to the family member's travel.

Any cost incurred by a guest accompanying a Director must be reimbursed to the District. Off-hours transportation or any other personal expenses associated with the travel are the Director's responsibility and are not reimbursable.

2140.69 Accommodations - All hotel/motel accommodations will be made in accordance with the District travel policy except that when authorization to exceed 125% of the Internal Revenue Service room rates is needed it shall be approved by the Board President or in the Board President's absence, the Vice-President. No accommodations should exceed the cost of the conference host hotel. Documentation of the authorization shall accompany the credit card statement or Business Expense Report as appropriate.

2140.70 Other reasonable expenses deemed in the best interest of the public and approved by the Board President will be reimbursable. In the event a request is submitted by the Board President, the Vice-President shall be responsible for authorizing the request.

2140.80 Use of a District Credit Card - District credit cards are to be used by

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Directors while acting in an official capacity for the District. Each Director will receive a copy of the District's Cal Card Procedures specifying the District's internal controls followed for credit cards. Use of a District credit card in any manner determined by the Board as inappropriate or outside of the established regulations could result in the loss of credit card privileges. Credit cards are issued to members of the Board by the District's accounting office after taking office. Credit cards may be retained by the Director until leaving office unless the Board President asks the Director to return the credit card at an earlier date. Credit cards retained at the District will be held by the accounting office for safe keeping. Use of the District credit cards for any personal expenses is disallowed. If, inadvertently in the course of use of the credit cards, expenses that are unsubstantiated by receipts or not allowed under this policy are charged to the credit card, the amount will be identified and subtracted from the allowable total or if necessary, a Director will be asked to reimburse the District.

Monthly credit card statements will be given to each Board member for their review and signature. Once statements are distributed, they must be returned to accounts payable along with accompanying transaction receipts within five working days.

2140.90 Petty Cash - A petty cash fund exists for the purpose of advancing to or reimbursing Directors of the District for miscellaneous District expenses necessarily incurred in carrying out their duties. Requests for reimbursement must be accompanied by a receipt.