



Central Basin
Municipal Water District

Directors' Reimbursement Policy
Chapter 9, Part 3 of Administrative Code
Revision July 23, 2018

Expense Reimbursement

Payment for travel and other expenses shall be allowed when reasonably necessary to represent the interests and objectives of the District. Business expenses shall normally be paid per the schedule described in this section.

Expense Limits

Expenditures for lodging, meals, transportation and other activities should provide for a reasonable level of comfort and convenience, but sound judgment shall be exercised to ensure reasonable cost to the District. Reasonable cost will vary depending on locality. All travel arrangements, including airfare, lodging, and train, should be made through a District employee, with pre-payment, whenever possible, especially for conference fees. District employees will work to ensure that travel arrangements are conducted using government or conference rates, whenever possible.

When reimbursement is permitted, Directors will be reimbursed only up to the actual and necessary expenses incurred in performance of their official duties. Expenses in excess of \$20.00 require receipts for reimbursement. For reimbursable expenses of \$20.00 or less, a written explanation is required if receipts are not available.

Travel Authorization

Actual and necessary travel expenses may be incurred in connection with official representation of the District in order to:

- (a) Attend seminars, conferences, hearings or other meetings directly related to the business of the District;
- (b) Interview persons, inspect facilities or exchange professional information;
- (c) Participate in other activities, as approved by the Board requiring expenditures for travel, meals and lodging that are necessary and in the best interests of the District.
- (d) Each Director shall be permitted a budget not-to-exceed \$7,000 per fiscal year to attend conferences or seminars to carry out the duties described in section 1.3 Board Training. . Attendance or expenses which would exceed the permitted budget shall require District Board approval prior to attending or registering for said seminar or conference.

Authorized Expenses

- A. Expenses in General

Authorized expenses normally include lodging, meals, common carrier fares, rental of automobiles, tips (not to exceed 20% of the cost of food or service), trip cancellation insurance costs and parking fees.

A Director may not submit a claim to the District for reimbursement of an expense reimbursed by another party.

B. Lodging/Overnight Travel

Lodging should only be obtained when outside of the local area (Los Angeles and Orange Counties) or in extenuating circumstances with prior approval by the Board in a public meeting. Lodging shall be obtained at the most economical rate reasonably available. Government rates should be utilized, if available. Use of conference headquarters hotels is encouraged. Lodging in connection with a conference or organized educational activity conducted in compliance with Government Code Section 54952.2(b) shall not exceed the maximum group rate published by the group or activity sponsor, provided that lodging at the group rate is available.

Costs associated with travel will be the Director's personal responsibility. The Director will submit expenses for reimbursement and only those charges deemed eligible for reimbursement will be reimbursed. Personal and other incidentals (movies, snack bar fees, personal phone calls, etc.) will not be charged to the District. It is the responsibility of the individual traveling to pay for personal and other incidentals and to obtain the hotel folio for reimbursement submittal purposes at the time of check out from the hotel. Business center charges such as faxes, email, etc. are reimbursable if necessary to the performance of official District duties and the business purpose is documented. Business calls to District facilities will be reimbursed in full.

C. Business Meals

Reimbursement for meal expenses shall be provided by the District only upon full compliance with the requirements of the provisions of this section.

1. Only costs associated with conducting business that are reasonably necessary to further the interest of or benefit the purposes or objectives of the District will be reimbursed.
2. Directors should make every effort to hold meeting at the District's headquarters to limit unnecessary expenses.
3. A meal receipt must be accompanied by an itemized account of charges or the bill/statement, and must include the cost of meals and non-alcoholic beverages from the restaurant or food establishment where the meeting/meal was conducted, and shall include a

description of the business purpose (i.e. the topics covered which relate to District business) of the meeting.

4. A meal furnished by a District Director to a person who is not a District representative will be reimbursed if the business conducted is reasonably necessary to further the interest of or benefit the purposes or objectives of the District.
5. Reimbursement of costs of meals provided to third parties and District contractors are prohibited. The District defines third parties as spouses, family, friends, or persons not doing business with the District.
6. When claiming reimbursement for meals the names of individuals doing business with the District must be provided. At the time of submitting meal expenses, Directors need to submit a personal check for costs incurred for third parties. Separate receipts should be requested, whenever possible, for third parties not doing business with the District.
7. Meals that occur in the local service area between District representatives (i.e. between Directors or between Directors and employees) are prohibited from being reimbursed unless there is a business necessity to conduct the meeting during the breakfast, lunch, or dinner hours. A brief explanation of the business necessity must accompany the itemized meal receipt when submitting for reimbursement.

The one exception to the rule is when district representatives (2 or more) are at a conference and one receipt includes the cost for all District representatives.

8. All meals for which expenses are incurred while traveling shall be reimbursed at the daily maximum rate of \$85 per District representative. Meal reimbursement is intended to cover the incremental expense of having to eat out while traveling. It is not intended to cover the entire cost of the meal. Hence, the daily maximum meal allowance includes the meal, non-alcoholic beverages and tips. When the cost of meals is included in a registration fee, separate reimbursement for the covered meal is not allowed.

D. Attendance at Conferences/Business Meetings

Directors shall be entitled to reasonable expenses incurred and per diem for traveling to attend approved conferences, beginning one day prior to the start of

the conference/business meetings and no later than one day following the conclusion of the conference. Travel to and from conference/business meetings in Los Angeles and Orange Counties is not normally reimbursed except under extenuating circumstances.

E. Transportation

Use of air travel, train, rental car or private car shall be selected on the basis of the most reasonable and appropriate method, taking into consideration distance, time and total costs to the District.

The following types of travel expenditures while on District business are allowable:

- a) Travel by private automobile –The Director must possess a valid California driver's license and carry automobile insurance. Each Director shall provide proof of a valid California driver's license and proof of insurance to the Human Resources Department which shall be reviewed and updated annually. The District shall register for the California Department of Motor Vehicle's Motor Vehicle Record pool for purposes on confirming ongoing compliance. It is the responsibility of Director to practice safe and defensive driving. Any damages to the vehicle or service repairs are of a personal nature and shall not be reimbursed by the District. Mileage reimbursement will be based on the vehicle (i.e., the owner of the vehicle will be reimbursed and not the passengers). All Directors who drive on behalf of or for District business or purposes shall comply with the driver's license and insurance requirements section as set forth in this Section. Any Director not in compliance with the requirements set forth above shall not drive on behalf of or for District business or purposes and will be ineligible to receive automobile or transportation allowance or mileage reimbursement unless the Director cannot meet such requirements due to a qualifying disability.

Automobile or Transportation Allowance – District Directors may receive a monthly automobile or transportation allowance. The automobile or transportation allowance is provided to reimburse Directors for his/her reasonable and necessary automobile or alternative transportation expenses, which include the cost of vehicle acquisition/lease, maintenance and repairs, insurance and gasoline costs for vehicle use or for the reasonable cost of obtaining alternate means of transportation for District business or purposes. Directors who may be unable to drive due to a qualifying disability may use the automobile or transportation allowance for alternative transportation expenses as long as medical certification is provided on an annual basis. An appointed Water Purveyor shall not be eligible to receive this allowance.

- b) The automobile or transportation allowance amount is \$397 per month. Expenses incurred for use of private automobile for travel

within Los Angeles County is covered by the director's car allowance. Mileage incurred for travel beyond these limitations is reimbursable at the standard IRS mileage reimbursement rate. The auto or transportation allowance amount may be increased by the Consumer Price Index (CPI)-Fuel percentage for the previous 12-month period or the increase in the Internal Revenue Service (IRS) mileage rate, whichever is higher.

- c) To process mileage reimbursement, eligible Directors must submit a mileage reimbursement form within two (2) months of incurring the mileage expense. Mileage reimbursement forms must identify the destination, purpose, and date of meeting. Documentation verifying the miles traveled such as Google maps or MapQuest directions must accompany the mileage reimbursement form. Parking will be reimbursed upon presentation of the original receipt.
- d) Automobile or transportation allowance and mileage reimbursement are contingent on annual verifications of valid driver's license, automobile insurance, and an acceptable driving record. Suspension of the automobile or transportation allowance and mileage reimbursement will occur for an indefinite period of time until the requirements set forth are met again.
- e) Air travel – Travel shall be in coach class or equivalent service, unless the Board determines some physical problem or exceptional circumstance warrants travel in a higher class. Exceptional circumstances may include special accommodations necessitated by a medical or physical condition or prolonged travel in excess of four hours. If a Director wishes to drive rather than fly to a destination, he/she may do so subject to all requirements set forth in this Section. In the event that trip cancellation protection insurance is purchased, all proceeds paid from any claim shall be paid or reimbursed to the District.
- f) Train Travel – Train travel shall be in coach class or equivalent service, unless the Board determines some physical problem or exceptional circumstance warrants travel in a higher class. Exceptional circumstances may include special accommodations necessitated by a medical or physical condition or prolonged travel in excess of four hours. If a Director wishes to drive rather than to travel by train to a destination, he/she may do so subject to all requirements set forth in this Section. In the event that trip cancellation protection insurance is purchased, all proceeds paid from any claim shall be paid or reimbursed to the District.

- g) Rental vehicles – When rental vehicles are used, the least expensive, appropriate vehicle is to be used. The District’s standard classes of rental car are compact or mid-size models, unless district-related business requires a larger car. Limousines or chauffer/driver rentals are prohibited.

The Director is responsible for all out-of-pocket expenses in excess of the District’s recommendation that are not approved in advance by the Board.

Directors who wish to rent a vehicle for conference travel, shall rent vehicle with their personal credit card and will seek reimbursement in accordance with this policy. Rental vehicles must be rented under the Director’s name and can only be driven by the Director. The length of the rental vehicle shall be limited to the day before the conference starts and to the next day after the conference ends. Business hours for vehicle rental pick up and drop off will also be taken into consideration under this policy.

Gas is reimbursable only for rental vehicle expenses. The Director should refuel the car prior to returning it to the rental agency to avoid excessive gasoline charges. Rental vehicle insurance is an authorized expense. Any Director involved in an accident while driving a rental car must immediately report the incident to the rental agency and the General Manager.

F. Authorized Expenses for Metropolitan Representatives

All transportation costs incurred by the District’s Metropolitan Water District of Southern California (“Metropolitan”) representatives, for travel done on behalf of Metropolitan, shall be reimbursed by Metropolitan.

The District’s Metropolitan representatives, who are not District Directors, are not entitled to an automobile allowance from the District.

G. Incoming Directors

Directors who have been elected but have not been sworn in shall be reimbursed for reasonable and prudent travel and conference expenses incurred while on District business, under the same requirements as sworn Directors, with the approval of the current Board.

Unauthorized Expenses

Items of a personal nature are not reimbursable including: movies, entertainment, premium television services, personal phone calls, alcoholic beverages, dry-cleaning, spas, gyms, barber, magazines, shoeshine, travel insurance which insures the individual

(not trip cancellation protection insurance), purchase of clothing or toiletries, loss of tickets, fines or traffic violations or other items of a personal nature.

If unauthorized expenses have been paid by the District, the Director will be responsible for immediate reimbursement to the District either by personal check or a payroll deduction.

Reimbursement of Expenses

All claims shall be submitted to the District for review within two (2) months after the expense is incurred. Claims submitted after two (2) months, must be approved by the Board of Directors.

- a) Claims shall be submitted on forms supplied by the District. Such forms must include a description of the expense, names (if appropriate), date incurred and a description of the business purpose of the expense.
- b) For meal reimbursements, meal receipts must be accompanied by an itemized account of charges, and the names of the guests when claiming reimbursement for meals that include guests. Separate receipts should be requested, whenever possible, for personal guests not doing business with the District.
- c) Expenses incurred by a District Director but prepaid by the District or charged on a District credit card must be listed on the expense claim form and noted as paid by the District.
- d) Receipts that are not submitted with the instructions set forth will not be reimbursed and will be returned for corrections.

Cash Advances and Credit Card Usage

- e) District Directors shall not be issued District credit cards.
- f) The District will not make cash advances.

Submittal and Review of Per Diem and Expense Claims

For all meetings, Directors can submit claims for per diem compensation on forms provided by the District within two (2) months of the attendance date of meeting. Claims received after two (2) months require Board approval prior to payment. The entries on this form shall clearly document each Director's attendance of the meeting, the purpose of each meeting, the location and the names and affiliations of other parties who were in attendance.

Each form is to be submitted to the District for processing. Upon receipt of the form, it will be reviewed to ensure that the claims adhere to the policies outlined above. Any claims submitted that do not fall under this policy's guidelines will be forwarded to the District Administration and Finance Committee for review prior to payment. The Administration and Finance Committee will review all Directors' expenses monthly, during their regularly scheduled Administration and Finance Committee meeting.

Director's per diem and other expenses should be submitted to the District as provided per the District's schedule and will be processed for payment for the following Wednesday. Directors may choose payment via direct deposit or check.