

**TRABUCO CANYON WATER DISTRICT
EXPENSE REIMBURSEMENT POLICY
BOARD APPROVED NOVEMBER 16, 2023**

The Trabuco Canyon Water District (**District**) is obligated to ensure that expenditures made by the District are solely for public purposes. The District also is responsible to taxpayers and the public to be prudent and wise in making those expenditures. The purpose of this **Policy** is to govern and provide for a process by which a member of the District's Board of Directors or a District employee may seek reimbursement for expenses that they have incurred in the conduct of agency business.

This Policy is adopted pursuant to Government Code Section 53232.2, which provides that if a local agency reimburses members of its legislative body for actual and necessary expenses incurred in the performance of official duties, then the agency's governing board must adopt a written policy, in a public meeting, specifying the types of activities that qualify for reimbursement of expenses such as those related to travel, meals and lodging. District Board members and employees should ensure that their proposed expenses are reimbursable before incurring the expenses. Additional procedures are set forth in Attachment A, which may be amended from time to time by the General Manager in accordance with applicable laws and in furtherance of the purposes of this Policy.

SECTION 1. AUTHORIZED EXPENSES. Expenses incurred in connection with the following types of activities generally constitute authorized and reimbursable expenses, and do not need pre-expense approval of the Board, as long as the other requirements of this Policy and implementing procedures are met:

- (a) Communicating with representatives of regional, state and national governments on Board-adopted policy positions;
- (b) Attending conferences or educational seminars designed to improve the skills and knowledge of Board members or District employees, so long as the skills and knowledge relate to their position with the District;
- (c) Participating in regional, state and national organizations whose activities affect the District's interests;
- (d) Performing tasks related to District business;
- (e) All other expenses must be approved by the Board, in a public meeting, before the expense is incurred.

SECTION 2. EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT. Expenses that are not eligible for reimbursement include:

- (a) The personal portion of any trip;
- (b) Political or charitable contributions;
- (c) Family expenses, including a partner's expenses when accompanying a Board member or an employee on District-related business, as well as child- or pet-related expenses;
- (d) Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf-related expenses), or other cultural events;
- (e) Alcohol/personal hotel honor bar expenses;
- (f) Tips greater than 20 percent (unless automatically included in the bill);
- (g) Regular commuting costs and personal automobile expenses, including for vehicle maintenance and repairs, traffic and parking citations, insurance and gasoline;
- (h) Personal losses incurred while on District business; and
- (i) Visitor gym fees where the lodging includes free gym services.

Any questions regarding the propriety of a particular type of expense should be resolved by the authorizing authority before the expense is incurred.

SECTION 3. TRANSPORTATION. Board members and employees are encouraged to use public transit and carpool to the maximum extent possible when travelling on District business. If transportation is needed for Directors or employees to travel for District business other than in District vehicles, costs are eligible for reimbursement as follows:

- (a) Airfare: Airfares that are reasonable and economical (coach fare) are eligible for reimbursement. Ticket purchases should be made well in advance to take advantage of low fares when possible.
- (b) Automobile:
 - (1) Personal automobile mileage is reimbursed at Internal Revenue Service (IRS) rates in effect at the time of travel. Tolls are eligible for reimbursement, unless the charges are incurred as part of the Director or employee's normal commute to or from the District.
 - (2) An employee of the District, authorized to travel on District business by use of a privately-owned motor vehicle, shall be reimbursed for the actual miles traveled portal to portal; mileage incurred for personal use during travel will not be reimbursed and must be segregated from actual District business mileage submitted for reimbursement. Reimbursement for auto mileage shall not exceed the cost of coach airfare for the same trip when it would be less expensive to fly than drive.
- (c) Car Rental: Rental car costs and fees are authorized for reimbursement only when necessary and when other transportation is not feasible or car rental is more economical. Cars are to be reserved at a rate that does not exceed the standard-size car rate.
- (d) Taxis/Rideshare: Taxi/Rideshare fares and gratuity (of no more than 20%) will be reimbursed only when shuttle or public transportation is not practical.
- (e) Parking and Shuttles: Reasonable parking costs will be reimbursed. Long-term parking or shuttle service to and from the airport may be claimed as a miscellaneous expense for reimbursement.
- (f) Public Transit: Actual fares for public transit will be reimbursed.

SECTION 4. LODGING. Lodging costs are only reimbursable when Directors or personnel travel for purposes set forth in Section 1, above. Lodging expenses at the single-room rate will be reimbursed or paid for when travel on District business reasonably requires an overnight stay. If such lodging is in connection with a conference, training or other educational activity, lodging expenses must not exceed the group rate published by the conference sponsor or training provider for the event in question, if such rates are available at the time of booking. If the group rate or lodging is not available, reimbursement will be limited to within a reasonable percentage of the U.S. General Services Administration (GSA) rate at the time of travel.

SECTION 5. MEALS & INCIDENTAL EXPENSES. Meals and incidental expenses are reimbursable whenever Directors or personnel travel for purposes set forth in Section 1, above, and as otherwise set forth below.

- (a) Business Meetings: Actual and reasonable costs of business meals and gratuities are allowed when representing the District, regardless of geographic location.
- (b) Conference, Seminar or Training: When Directors attend conferences, seminars and trainings for the District, reimbursements will be provided for the actual cost of meals, capped by the maximum established GSA for all meals, based on the locations of the events. Employees are entitled to reimbursement at the GSA rates for all meals not provided under conference, seminar and training registration fees.
- (c) Alcohol: The District will not pay for alcohol or hotel-room personal bar/honor bar expenses.
- (d) Other: Employees may be reimbursed for other meal costs under the following conditions:
 - (i) When the employee is performing emergency work and cannot leave the job during the normal meal period.

- (ii) When an exempt employee is required to work outside of their normal work hours.
- (iii) When a meal is purchased for non-District personnel performing a complimentary service for the District, e.g., serving on a District oral interview panel.
- (iv) When provided during staff meetings, open houses and other District-sponsored obligatory meetings.

SECTION 6. REGISTRATION FEES

Registration fees for conferences or meetings will be reimbursed at actual cost.

SECTION 7. FAX/INTERNET

Board members and employees will be reimbursed for actual fax or internet connection expenses incurred for District business.

SECTION 8. LAUNDRY OR VALET SERVICE

The reasonable actual costs of laundry or valet services are allowable when the travel exceeds five business days. On shorter trips, laundry or valet service will be allowed only in unusual circumstances.

SECTION 9. REPORTS TO THE BOARD

When a Board member attends a conference, training, seminar or other event for which they seek reimbursement from the District, the Board member must submit a brief oral or written report at the next regular Board meeting. If multiple members attended, a joint report may be made.

SECTION 10. COMPLIANCE WITH LAWS

District Board members and employees should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expense reports, Travel Authorization Forms and accompanying documentation are public records subject to disclosure under the Public Records Act and other applicable laws.

SECTION 11. IMPLEMENTING PROCEDURES

The District and its Board members and employees must follow the procedures adopted to implement this Policy. The procedures may be revised by the General Manager in compliance with all laws and in furtherance of this Policy.

SECTION 12. DISCIPLINARY ACTIONS FOR NON-COMPLIANCE

Misuse of public resources or falsifying expense reports in violation of District Policy or procedures may result in any or all of the following:

- (a) Loss of reimbursement privileges;
- (b) Required restitution to the District;
- (c) The District reporting the expenses as income to State and Federal tax authorities;
- (d) Civil Penalties of up to \$1,000 per day and three-times the value of the resources used (Gov't Code §§53232.4 and 8314);
- (e) Prosecution for misuse of public resources;
- (f) For employees, discipline up to and including employee termination; and
- (g) For Board members, censure by the Board or such other measure as may be determined by the Board.

**ATTACHMENT A:
PROCEDURES IMPLEMENTING
TRABUCO CANYON WATER DISTRICT
EXPENSE REIMBURSEMENT POLICY**

1. PURPOSE

These procedures implement the Trabuco Canyon Water District (**District**) Expense Reimbursement Policy (**Policy**). The procedures provide guidance for how the District will reimburse Board members and employees for authorized expenses incurred in the normal conduct of District Business. These procedures may be amended from time to time by the General Manager in accordance with applicable laws and in furtherance of the Policy.

2. AUTHORIZING AUTHORITIES

- a. Only the following individuals can authorize travel and approve expense report forms:
 - i. The Board for the Board of Directors and the General Manager;
 - ii. The General Manager for the Assistant General Manager; and
 - iii. The General Manager or Assistant General Manager for all other District employees. The General Manager has the discretion to approve employee expenses that occur under unusual circumstances when there is clearly a benefit to the District.
- b. Additionally, check signatories are not authorized to sign reimbursement checks to themselves. In the event that a finance audit committee member is being reimbursed, the alternative committee member must sign reimbursement checks.

3. TRAVEL AUTHORIZATION REQUEST

- a. Directors must obtain approval from the Board of Directors and employees must submit travel authorization forms to the General Manager and Assistant General Manager before District travel:
 - i. To attend any meeting, conference, training or other event involving overnight accommodations;
 - ii. Outside of the counties of Orange, Los Angeles, San Diego, San Bernardino or Riverside.
- b. The District Secretary or Assistant District Secretary will coordinate all travel arrangements, including air transportation, hotel and rental car reservations, through District-approved providers.

4. TRAVEL ADVANCES – EMPLOYEES ONLY

- a. From time to time, it may be necessary for an employee to request a cash advance to cover anticipated expenses while traveling or doing business on the District's behalf.
- b. Such requests must be submitted to the General Manager on an Expense Report Form. Completed Expense Report Forms must document that the expense in question met the requirements of the Policy.
- c. Overpayment on advances shall be repaid no later than seven calendar days after the subject purchase is made or the employee returns from the subject travel, unless an extension of time is provided by the General Manager.
- d. No employee will be permitted an advance if that employee has an outstanding expense report.

5. EXPENSE REPORTS

- a. Expense report forms must be submitted within 30 calendar days of an expense being incurred, and must include the following attachments:
 - i. Approved travel authorization forms, when relevant for reimbursement of travel costs;
 - ii. Original receipts showing the claimed expenses (e.g., restaurant receipts as opposed to credit card receipts or statements), except for employee meals being reimbursed at per diem rates in accordance with the Policy;

- iii. Names and positions of participating individuals, as well as a description of the purpose of the meeting, for reimbursement of meals for individuals in addition to the Director or employee submitting the request.
 - iv. A copy of the Program or Agenda of the event(s) attended, when relevant;
 - v. If a Director or employee does not attend a planned trip and nonrefundable expenses have been incurred for registration, lodging and/or travel, a written explanation of the reasons for non-attendance; and
 - vi. When original receipts are required under these procedures, but have been lost, a duplicate receipt if available;
 - vii. If neither an original nor duplicate receipt is available, or if a receipt is not available for a small expenditure (e.g., parking meters), a detailed explanation of the expenditure and explanation of which receipts are not available; and
 - viii. Telephone bills identifying calls made on District business, when relevant.
 - ix. It is the employee's and Director's personal responsibility to submit an expense report and make payments in a timely manner. The District will not be responsible for interest payments or late charges that occur on credit cards. The District will in turn make every effort to reimburse properly documented and approved expenses in a timely manner, typically within seven business days.
- b. It is not intended that an employee or Director incur any financial loss while on District business nor is it intended that they realize a financial gain. If an employee or Director incurs expenses which do not appear to be covered under the Policy but which are believed to be charges to the District, the employee or Director should submit these charges on an expense report with a full explanation and supporting receipts. The authorizing authority shall determine if the expenses were reasonable, given all the circumstances, and if so may approve the reimbursement of those expenses.

6. AUDITS OF EXPENSE REPORTS

All evidence of expenses and related documentation are subject to verification that they comply with the Policy and these Procedures.