



Expo

Exposition Metro Line
Construction Authority

707 Wilshire Boulevard
34th Floor
Los Angeles, CA 90017

213.243.5500
BuildExpo.org

5.b

DATE: AUGUST 3, 2006

TO: BOARD OF DIRECTORS

FROM: RICHARD D. THORPE *Richard D. Thorpe*
for **CHIEF EXECUTIVE OFFICER**

ACTION: ADOPT TRAVEL AND BUSINESS EXPENSE POLICY

RECOMMENDATION

Adopt a Travel and Business Expense Policy which will provide guidance and discuss procedures for the authorization and reimbursement of travel and business related expenses.

SUMMARY

The California Government Code and the Authority's Administrative Code require that the Authority Board adopt travel and expense reimbursement procedures and policies. This policy authorizes travel and allows for the reimbursement of necessary and reasonable business expenses incurred in connection with official responsibilities performed on behalf of the Authority and in accordance with established policies and procedures.

DISCUSSION

This policy will outline the procedures for the authorization and reimbursement of travel and business related expenses in conformance with Federal and State rules and applications. This policy is modeled after Metro's travel and business expense policy and was developed with feedback and input by Metro's Executive Officer of Finance. This policy defines reimbursable business expenses and includes, but is not limited to, travel, business meals, lodging, conference expenses and other related expenditures incurred while conducting Authority business.

The procedures included in this policy are based on provisions and guidelines included in State Law, including the California Government Code (Section 53232), and Federal Law, including IRS publications and guidelines. This policy applies to all Authority Directors and alternates and all officers and employees of the Authority. It also applies to any others as specifically authorized through contract with or invitation by the Authority.

FINANCIAL IMPACT

None

NEXT STEPS

None

ATTACHMENT(S)

A. Travel and Business Expense Policy

ATTACHMENT A

TRAVEL AND BUSINESS EXPENSE POLICY

POLICY STATEMENT

The Exposition Metro Line Construction Authority shall authorize travel and reimburse necessary and reasonable business expenses incurred in connection with official responsibilities performed on behalf of the Authority, and in accordance with established policies and procedures. This policy will discuss allowable expenses incurred while conducting Authority business and reimbursement procedures for those expenses.

Travel and business expenses will only be approved as they are necessary to further the accomplishment of the Authority's business goals and objectives. Full compliance with any other Authority policies, such as the Administrative Code and Conflict of Interest Code, is also required.

PURPOSE

This policy will provide guidance and procedures for the authorization and reimbursement of travel and business related expenses in conformance with Federal and State rules and applications. This policy defines reimbursable business expenses and includes, but is not limited to, travel, business meals, lodging, conference expenses, and other related expenditures incurred while conducting Authority business.

APPLICATION

This policy applies to all Authority Directors and alternates and all officers and employees of the Authority. It also applies to any others as specifically authorized through contract with or invitation by the Authority.

Effective Date:

TRAVEL AND TRAVEL-RELATED BUSINESS EXPENSES

The following section will specify and approve the types of occurrences that qualify for reimbursement of expenses relating to travel, meals, lodging and other actual and necessary expenses.

- Meetings with government and business leaders
- Conferences, training, seminar and educational trips, including visiting other governments to discuss and observe best practices
- Lobbying Trips
- Business-related trips where a benefit to the Authority can be defined

For all travel and travel related business expenses:

- A. Budgeted funds must be available in the appropriate travel related line item to cover the entire cost of the trip, both prepaid costs, estimated costs and any incidental expenses to be reported.
- B. Travel Request/Authorization and Travel and Business Expense Report forms must be properly filled out and approved by the Chief Executive Officer. Travel authorization and expense report requests of the Authority's CEO will be approved by the Metro CEO. The Chair of the Authority Board will approve all Board member travel authorization and business expense requests and the Vice Chair of the Authority Board will approve the Chair's requests.
- C. For overnight lodging consideration, travel is generally defined as a destination further than a 60 mile radius of either the employee's primary residence or regularly assigned worksite, whichever is closer.

1. PROCEDURES – AUTHORIZATION TO TRAVEL

- 1.1 A travel authorization form shall be completed, indicating estimated costs, dates, destination, and other related information.
- 1.2 Generally, allowable purposes for travel include, but are not limited to the following:
 - Federal and State of California legislative activities
 - Intergovernmental relations to ensure compliance with federal and state regulations
 - On-site inspections related to procurement, methods, procedures and operational techniques
 - Reimbursable training programs

- Specific seminar, workshops, conferences or training programs that are not provided in the Los Angeles area
 - Participation in job related professional membership meetings or seminars
 - Activities that enhance quality, productivity and/or effectiveness of the Authority's services, programs, projects
- 1.3 Trip documentation such as conference schedules, completed registration forms, and business itineraries must be attached to the travel authorization form. Justification for use of a vehicle rental must also be included. Any personal travel being combined with business travel shall be detailed on the form. A separate request for time off must be approved by a supervisor.
- 1.4 The travel authorization form for all travelers must be signed by the Chief Executive Officer. The CEO of Metro will approve the Authority CEO's requests and the Chair of the Board will approve all Board Member requests. The Vice Chair of the Authority Board will approve the Chair's requests.
- 1.5 The travel authorization form must be submitted as far in advance as possible to take advantage of lowest possible airfares. Reservations, where possible, should be made at least 14 days in advance. Personal travel will not be reimbursed and should be prepaid when possible.
- 1.6 Travelers are responsible for making his/her own travel arrangements within these policy guidelines. Travel should be booked on the most economical means possible. First class and business class tickets are prohibited. Any exceptions shall be approved by the Chief Executive Officer. In extraordinary circumstances, a higher class of travel may be approved if the business schedule requires immediate travel and only higher-class tickets are available.
- 1.7 The downgrading or upgrading of an airline ticket where the employee receives financial or personal gain is prohibited. Travelers may, at their own expense, pay or use their own personal miles to upgrade their airline accommodations.
- 1.8 Cash advances are not available for travel, mileage or business expenses.
- 1.9 Personal vehicle use for travel:
- The Authority reserves the right to pay the lower of either mileage reimbursement or a common carrier or commercial airline. The amount of fare will be used as the limitation of reimbursable expenses.
 - Travelers must submit a separate justification memo when requesting use of their personal vehicle for non-local travel.

- Expenses for necessary parking will be authorized; original receipts should be provided.
- 1.10 Out of town expenses for vehicle rentals, taxi and transit fare are allowed where necessary and reasonable. Receipts must be provided. When a vehicle rental is chosen over a taxi or shuttle service, justification for such a decision should be included.
- 1.11 If the traveler's meeting, training, or seminar adjourns by 2 p.m. and there is transportation back to Los Angeles available, the traveler is expected to depart for Los Angeles the same day since no overnight lodging will be authorized. The CEO may approve an exception to this policy in special circumstances.

2.0 RETURNING FROM TRAVEL – BUSINESS AND EXPENSE REPORTS

- 2.1 Expenses incurred while on authorized travel must be reported and reconciled on a Travel and Business Expense Report. The report must be completed and submitted within 60 calendar days of the date of returning from travel. The CEO of Metro will approve the Authority CEO's business and expense reimbursement requests. The Chair of the Authority Board will approve all Board member requests and the Vice Chair of the Authority Board will approve the Chair's requests. All other travel and business expense reimbursement requests will be approved by the CEO.
- 2.2 Traveler shall indicate all travel and trip related business expenses in the appropriate areas of the report. Copies of appropriate documentation including receipts, credit card bills, approved travel authorization form and airline ticket voucher or boarding pass/stub must be attached to the form.
- 2.3 Per the provisions of Section 53232.3 of the California Government Code, members of the Authority Board shall provide brief reports on any meetings attended at the expense of the local agency at the next regular meeting of the Board.
- 2.4 Reasonable expenses are allowed for lodging. When possible, government rates shall be obtained. If government rates are not available, travelers should obtain group rates. If those are not available, the lowest reasonable rate shall be obtained. The Authority should follow IRS Publication 1542 as a guideline for allowable reimbursement rates.

Exceptions to this policy can be made for conference hotels or hotels with close proximity to the final business destination when approved by the CEO. Lodging costs should not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the traveler at the time of booking. If the group rate is not available, the

traveler shall use comparable lodging rates following general guidelines listed above.

- 2.5 Lodging expenses are limited to the cost of the room plus related taxes and will be reimbursed after the stay. Advance room deposits may be made directly to the hotel. Personal expenses incurred at the hotel, such as movies, are not reimbursable. Itemized receipts must be provided to obtain reimbursement.
- 2.6 Meals
- Reasonable expenses for meals are authorized for travelers as required to conduct Authority duties. Those traveling on Authority business shall be entitled to reimbursement for meals not to exceed breakfast, lunch and dinner in any one day. Travelers may choose a per diem rate reimbursement or actual reimbursement not to exceed \$75/day (\$20 for breakfast, \$25 for lunch and \$30 for dinner). If a traveler chooses a per diem rate reimbursement, per diem reimbursements will follow the IRS Publication 1542. If a traveler is claiming actual expenses, the maximum allowed is \$75/day and itemized receipts for those meals must be submitted. Any exceptions to these reimbursement rates shall be authorized by the CEO. The traveler must use the same method, per diem, no receipts, or actual receipts for the entire trip.
 - Procedures for Business Meal reimbursements are listed in Section 4.2a below. While on travel status, and if a business meal reimbursement is submitted, the per diem meal allowance is reduced by the prorated cost of that meal.
 - Meals for periods of travel less than one day in duration (no overnight stay) are reimbursed based on receipts for actual costs based on the individual meal limits outlined above.
 - Meals included in conference registration fees occurring while on travel status will reduce the total daily meal reimbursement maximum.
 - Alcohol will not be reimbursed.
 - Reasonable expenses for tips are allowable for meals, hotel and transportation purposes and would be considered in addition to any meal or hotel allowance.
- 2.7 Out-of-State and Foreign Travel
- Travel to cities outside the United States is subject to the approval of the CEO. Hotel lodging and meals will be reimbursed based on the same criteria above and using rates allowed by the US Department of State Standardized Regulations "Maximum Travel Per Diem Allowances for Foreign Areas" as a guideline. Exceptions to the above limits may be approved by the CEO.

- All receipts for foreign travel expenses must be submitted for reimbursement.
- The traveler is responsible for having the proper travel documents (passport, visas) and medical requirements (immunizations). The CEO shall determine if the time and expense associated with obtaining such documentation shall be the traveler's or Authority's responsibility.

3.0 OTHER EXPENSES

Certain other incidental expenses while traveling are reimbursable:

- Overnight Airport Parking: standard airport shuttle services should be used whenever it is economical to do so. Standard overnight airport parking when traveling out of the Los Angeles region is reimbursable. Luxury services are not reimbursable.
 - a. Ground Transportation: public transportation should be used whenever practical and available. Cab fare is reimbursable. Other than public transportation, the traveler must provide receipts. Incidental expenses up to \$10/day for transportation such as taxi tips, fares for public transit and toll fees, are reimbursable without a receipt or face value with a receipt.
 - b. Rental vehicle expenses including fuel may be reimbursed. Rental vehicles must be requested and justification submitted with the travel authorization form. All procedures required by Rental Car Agencies must be followed by the traveler.

Use of a rental vehicle is granted in cases where one or more of the following situations may be expected:

- Multiple stops within a given area
 - Time constraints warrant the use of a vehicle
 - Inclement weather necessitates using a vehicle
 - Transporting large boxes or materials for business
 - No public transportation is available
 - Multiple days of transportation use
- c. Telephone Calls: the Authority will reimburse for business-related telephone calls. Requests for reimbursement shall indicate person/agency called, city, date, cost and justification. Use of another phone line (voice, fax, data or modem) for business purposes may be reimbursed. One personal phone call home per day up to \$10 will also be reimbursed. Use of personal cellular phones for business related calls will be reimbursed per provisions of the Authority's Cellular Phone policy.

- d. Baggage Handling/Porters/Housekeeping/Tips: Actual fees/tips are reimbursable up to \$10/day without receipts and face value of charges with receipts.
- e. Laundry/Dry Cleaning: travelers required to be out of town for more than 5 days may be reimbursed for reasonable laundry/dry cleaning expenses while traveling. Exceptions may be made for unexpected or extraordinary working conditions when approved by the CEO.
- f. Other incidental expenses: internet access needed for Authority business, supplies, equipment, rentals, photocopying, faxes and other documented business related expenses while traveling may be reimbursed with appropriate receipts.
- g. Lost receipts will be handled on a case-by-case basis. The expenses should be documented as completely as possible. Lost airplane tickets should be reported immediately.
- h. Traveler shall pay amount owed to the Authority for any personal expenses when submitting the TBE report.
- i. Convention or meeting registration fees are eligible for reimbursement. When possible, the Authority will pre-pay conference registrations prior to the date of the event. When this is not possible, a receipt or registration form with the fee amount must be provided with the reimbursement request.

4.0 NON-TRAVEL BUSINESS EXPENSES:

For all other non-travel business expenses:

- A. Budgeted funds must be available in the budget's line items to cover expenses.
- B. Expenses are to be reported on the Expense form and must adhere to this policy.
- C. The CEO must approve the Travel and Business Expense Reports. The CEO of Metro will approve the Authority CEO's reports. The Chair of the Authority Board will approve Board member reports and the Vice Chair of the Authority Board will approve the Chair's reports.

- 4.1 Other Business Expenses – Parking and Mileage Reimbursement
Requests for mileage reimbursement and parking expenses must include beginning and ending points, total miles traveled, business purpose or justification for trip and original (parking) receipts. If necessary and authorized by the CEO, rental vehicle expenses including fuel may be reimbursed. Reimbursement rates are set by the IRS and are indicated in the US General Services Administration Federal Travel Regulation Amendment 2003-6, Privately Owned Vehicle Reimbursement Rates. A traveler's normal commuting mileage is excluded.

4.2 Other Business Expenses – Business Meals

- a. Requests for business meal reimbursements must include original receipts, documentation of attendees, amount paid and purpose. Reimbursed business meals must include persons from outside organizations, agencies and corporations or necessary to conduct Authority business. Expenses must be reasonable and budgeted under the budgeted line item and must be related to Expo business. Such expenses must be approved by the CEO.
- b. Meals for staff may be provided when in a facilitated work session, retreat, or during situations in which it may be impractical or difficult for staff to obtain their own meals.

4.3 Other Business Expenses – Personal telephone usage

Business related telephone calls will be reimbursed. A request for reimbursement shall include a copy of a phone bill and indicate person/agency called, cost and justification. Cell phone reimbursement will follow the Authority's cellular policy.

4.4 Other Miscellaneous Expenses

Other expenses authorized for reimbursement are photocopying, equipment, supplies, and other items necessary to carry out Authority business.

5.0 Prohibited Expenses

The Authority will not reimburse employees for:

- Expenses for which there are no available budgeted funds
- Personal entertainment expenses, alcoholic beverages, travel expenses for family members, sporting events, cultural events, movies, personal items, air travel insurance or any other expenses not deemed necessary to conducting Authority business.
- Expenses incurred with any professional membership or private club that discriminates on the basis of race, gender, religion, physical disability, sexual orientation, disability in its membership policy.
- Expenses incurred for purpose of attending political events. An event is considered "political" if it is held for the purpose of supporting, opposing or raising money to support or oppose any candidate, ballot measure or political party.
- Non mileage personal automobile expenses, including repairs and traffic citations.