

SOUTH PLACER MUNICIPAL UTILITY DISTRICT POLICIES

Policy Name:	2025 - EXPENDITURE REIMBURSEMENT		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	03/01/18
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PURPOSE

The purpose of this policy is to prescribe the manner in which District employees and directors may be reimbursed for expenditures related to District business.

POLICY STATEMENT

Section 1: General

Government Code §53232 through 53232.4 requires local agencies to adopt a written policy regarding expense reimbursements paid to elected and appointed officials. The purpose of this policy is to adopt and implement procedures for reimbursing Directors and Employees for actual and necessary expenses incurred by them in the performance of official District duties.

Directors and employees are entitled to reimbursement for actual and necessary expenses incurred in the performance of official District duties, provided that the amount of the expenses does not exceed: (i) the reimbursement rates set forth in this policy; or (ii) the amount budgeted for such expenses. If a Director or Employee has a question regarding this policy, or whether a particular expense is reimbursable, the Director is encouraged to contact the General Manager or Administrative Services Manager, before the expense is incurred.

Section 2: Authorized Expenses

District funds, equipment, supplies (including letterhead), email, and staff time must only be used for authorized District business. Actual and necessary expenses incurred in connection with the following types of activities generally constitute expenses authorized for reimbursement, as long as the other requirements of this policy are met:

1. Attending District meetings of the Board, standing committees meetings of the Board, or temporary committees of members of the Board (“meeting” means any congregation of a majority of a legislative body at the same time and location, including teleconference location as permitted by CA Government Code § 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body);
2. District Representation on outside meetings of local, regional, and state governing bodies and advisory boards.
3. For each meeting that lists a primary representative and an alternate representative; only the primary representative may be compensated for attending the outside meeting unless the primary representative cannot attend; in which case the alternate representative may be compensated for attendance;
4. Meetings at the invitation of the District Board, Staff, or the Press lasting a minimum of one hour;

5. Other types of events specified for reimbursement and approved by the Board of Directors in advance, such as mandatory training for Board Directors.

Except as set forth above, Directors shall not represent the Board of Directors at any functions or organizations without prior approval of the Board of Directors or General Manager.

Section 3: Expenses Not Eligible for Reimbursement

Expenses that do not adhere to this policy shall not be eligible for reimbursement. Examples of personal expenses that the District will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's or children's expenses when accompanying Director or staff member on District-related business, as well as pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym and golf-related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
6. Tips greater than 15% (except for gratuities e.g. shuttle drivers, airport skycaps,)
7. Alcohol, laundry service, and personal telephone calls; and
8. Personal losses incurred while on District business.

Expenses that do not adhere to this policy or do not fall within the Internal Revenue Service reimbursable parameters (Publication 463 Travel, Entertainment, Gift, and Car Expenses) shall not be eligible for reimbursement. Questions regarding the propriety of a particular type of expense should be resolved before the expense is incurred.

Section 4: Reimbursement Requirements

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the District may be limited to the costs that fall within the guidelines.

Receipts must be submitted for all expenses. In the event that receipts are not available, a written explanation of the circumstances as to why this is the case and the reason the expense was incurred must be provided.

All travel expenses, even if otherwise eligible for reimbursement under this policy, must relate to a trip that has been approved in advance by the General Manager.

Unless the Board establishes other permitted reimbursement rates for travel, meals, lodging and other actual and necessary expenses, the District will reimburse actual expenses

1. Conferences/Education

Reimbursement of expenses for attendance at an authorized conference or organized educational activity shall include any registration, attendance, tuition, materials or other similar charge of the conference organizer or activity provider.

2. Travel

Travel should be arranged through the District Office and charged on a District credit card. When necessary, travel arrangements may be charged on a personal credit card.

Personal credit card purchases will be reimbursed only for the actual fare and only after the trip.

3. Transportation

The most economical mode and class of transportation reasonably consistent with safety, scheduling needs, and cargo space requirements must be taken, utilizing the most direct and time-efficient route. Government and group rates must be used when available.

4. Airfare

Coach or tourist class accommodations must be utilized, along with governmental airfare rates, when available. If no government or group rate is available, all reasonable efforts to obtain the most economical airfares and the most efficient route must be undertaken. The air travel shall be booked as far in advance as possible; so as to receive the lowest fares. In any event, there will be no entitlement to reimbursement for any expenses to the extent they exceed the cost generally available to the public. When traveling by air, reimbursement shall be authorized for reasonable and actual costs and gratuities incurred for baggage handling.

Directors or staff members may at their own expense, pay to upgrade their airline accommodations.

5. Taxi and Shuttle Fees

Taxi or shuttle fees may be reimbursed, including a 15% gratuity per fare, when the cost of such fares is equal or less than the cost of car rental, gasoline, and parking combined, or when such transportation is necessary for time-efficiency.

6. Car Rental

Charges for rental vehicles may be reimbursed under this provision if it is determined that the use of a rental vehicle is more economical or efficient than other forms of transportation. In making such determination, the cost of the rental vehicle, parking, and gasoline will be compared to the combined cost of such other forms of transportation.

In the event that car rental is determined to be the most efficient or economical mode of transportation for official duties, all reasonable efforts must be made to obtain the most economical car rental rates. In addition to rental rates, when using a rental car, the following actual and reasonable costs shall be reimbursable: receipted gasoline, parking, tolls and insurance coverage purchased from the rental agency for physical damage to the rental car.

7. Automobile

Automobile mileage is reimbursed at Internal Revenue Service rates in effect at the time the mileage is incurred (see www.irs.gov). These 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. The Internal Revenue Service mileage rates will not be paid in conjunction with rental vehicles.

8. Lodging

Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay. Lodging expenses are limited to the cost of the room plus related taxes and will be reimbursed after the stay.

Conference/Training: When conference or training sponsors have made arrangements for lodging, all efforts should be made to stay at one of these facilities and the cost should not exceed the published maximum group rate. In the event that rooms are not available at one of these facilities, Directors and staff members should stay at a comparable facility at a comparable cost, not to exceed the maximum group rate published by the sponsor. If a comparable facility is not available at the maximum group rate; the cost of lodging may exceed the group rate but may not exceed the GSA maximum lodging rate for the city/state or area of travel. Lodging rates that do not exceed the GSA maximum amount per night are presumed reasonable and hence reimbursable. Other rates must be approved by the Board.

Other Lodging: Government rates must be requested and used when available. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence reimbursable for purposes of this policy. In the event that government rates are not available at a given time or in a given area, lodging rates equal to or less than the rate shown on the GSA schedule for the city/state or area of travel will be used (see www.gsa.gov). Lodging rates that do not exceed this amount per night are presumed reasonable and hence reimbursable. Other rates must be approved by the Board.

Official overnight travel and other related expenses by Directors must be pre-authorized by the Board of Directors. In unusual circumstances where overnight travel is urgent and necessary to the District, but is unforeseen until after the previous Board meeting, the General Manager may authorize such travel with consent of the Board President.

9. Meals

Meals and associated expenses will be reimbursed based upon actual costs, not to exceed the GSA Per Diem Meals & Incidentals expense rates for the meeting/training location. Tips are not included in the per diem limits; however, tips should not exceed 15% of the cost of the meal where reimbursement is requested. No alcoholic beverages will be paid for by the District.

When the meal function is an organized event (for example, conferences and other types of activities that fall within the list of "authorized expenditures"), the Director or staff member shall be reimbursed the amount being charged by the event organizer for the meal. The District recognizes that the per-person cost may exceed the above rates due to additional costs associated with organizing the event.

This policy recognizes that it is sometimes in the best interest of the District to provide meals for business guests during the conduct of District business and pre-authorizes Directors and Managers to make reasonable and appropriate expenditures for that purpose.

10. Airport Parking

Long-term airport parking must be used for travel exceeding 24-hours.

11. Other

To the extent that actual costs incurred in the performance of official duties are reasonable and necessary but are not otherwise defined above, the Director or staff member may be entitled to

reimbursement for expenses that meet the guidelines of this policy. In any event, a Director or staff member shall not be entitled to reimbursement for any expenses to the extent they exceed the cost generally available to the public.

Section 5: No Shows and Late Cancellations

This is meant to address the failure to attend a conference or general meeting, after expenses have been incurred for that event. Such expenses may include conference fees, prepaid hotel and airline charges. It is the Director or staff member's responsibility to ensure that any prepaid fees are fully refunded to the District as a cash refund or vendor credit that can be applied within the next twelve months to future registration fees, travel or lodging. Vendor credits are acceptable only when it can be reasonably assumed that the District will have need to use the particular credit. An exception may be made for emergencies. A written explanation addressing the reason(s) for non-attendance shall be attached to the expense report and submitted for Board approval at a public meeting.

Section 6: Expense Reports

All expenditures, credit card expenses, and expense reimbursement requests must be submitted on an expense report form provided by the District.

Expense reports must document that the expense in question met the requirements of this policy. For example, the Director or staff member should explain whose meals were purchased, what issues were discussed and how those relate to the District's adopted policies and priorities.

Directors and staff members must submit their expense reports within thirty (30) days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation in a timely fashion may result in the expense being denied for reimbursement.

Section 7: Audits of Expense Reports

All expenses are subject to verification that they comply with this policy.

Section 8: Compliance with Laws

Expenditures may be subject to reporting under the Political Reform Act and other laws. All District expenditures are public records subject to disclosure under the Public Records Act.

Section 9: Violation of this policy

In compliance with Government Code § 53232, the following are the causes of action that may be pursued for violation of this policy:

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the District, 3) the District reporting the expenses as income to the Director to state and federal tax authorities, 4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.