

<p><b>Policy Title:</b> Commissioner Reimbursement</p>	<p><b>Number:</b> 4.2.4</p>	<p><b>Date of Approval:</b> 11/20/19</p>
<p><b>Other Revisions:</b> 9/1/2010; 9/7/2016</p>	<p><b>Prepared By:</b> Julie van Hoff</p>	

**1. STATEMENT OF POLICY**

The purpose of this policy is to:

- A. Provide guidance to Board members seeking reimbursement for actual, ordinary and necessary expenses incurred in the performance of official duties; and
- B. Ensure compliance with California Government Code (CGC) §53232 et. seq.; and
- C. Ensure compliance with Internal Revenue Service Taxable Fringe Benefits Guide, Federal per Diem Rate Publication 1542, Internal Revenue Code §162, the Federal Travel Regulation Chapter 300 Part 300-3, and Travel, Gift, and Car Expenses Publication 463.

**2. AUTHORIZED EXPENSES**

CGC §53232 and IRS allows for the following District-related expenses to be paid on behalf of a Board Member.

Actual, ordinary and necessary expenses incurred in the performance of official duties.

- Actual expenses are documented by original receipts or IRS published standard meal allowance.
- Ordinary expenses are defined as common and accepted by other Local Government Agencies.
- Necessary expenses are helpful and appropriate for a Local Government Agency.

A. Pre-approval Not Required:

Expenses incurred in connection with the following types of activities constitute authorized and reimbursable expenses, and do not require pre-approval by the Board, as long as the other requirements of this Policy are met.

- 1. Communicating with representatives of regional, state and national governments on Board-adopted policy positions;

2. Attending conferences or educational seminars designed to improve the skills and knowledge of Commissioners, so long as the skills and knowledge relate to their position with the District.
3. Participating in regional, state and national organizations whose activities or agenda directly affect the District needs.

B. Pre-approval Required:

The following require pre-approval by the Board of Harbor Commissioners in an open public meeting:

1. Out-of-State travel expenses
2. Activities that are not included in this policy

If the Board does not approve an expense, the Board Member may travel at his or her own expense per CGC §53232.

### 3. REASONABLE RATES FOR TRAVEL

Travel is defined as being away from the Board Member's home, on District Business, for a substantial amount of time; **and** the Board Member needs to sleep or rest away from his or her home (from IRS publication 463). Board members are encouraged to make travel arrangements sufficiently in advance to obtain discounted transportation and lodging rates.

A. Transportation

- Airplane, Train, Bus -Coach fares will be reimbursed along with baggage charges. *Original receipts required.*
- Board Member's Car- IRS reimbursable mileage rate- adjusted annually on October 1. *Starting location & ending location required.*
- Rental Car-economy size. *Original receipts for rental and gas required.*
- Taxi, Commuter Bus, Ferries, Airport Shuttles, Tolls and Parking-*Original receipts required.*

As per CGC §53232- Board members shall use government and group rates offered by a provider of transportation travel when available.

B. Lodging

- If lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Board member at the time of booking. If the group rate is not available, the Board member shall use comparable lodging.

- As per CGC §53232- Board members shall use government and group rates offered by a provider of lodging services for lodging when available.
- *Original receipts are required.*

#### C. Meals & Incidental Expenses

Meals & Incidental Expenses will be reimbursed as follows:

- Standard Meal Allowances (a.k.a per diem) will be reimbursed as published by the IRS at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Per diem amounts are adjusted annually on October 1<sup>st</sup>.
- If a meal is included in education, training, conference or seminar registrations fees, the meal would not be eligible for reimbursement.
- For travel days, the Standard Meal Allowance would be 75% of the total daily published per diem amount.
- Incidental expenses are included in the Standard Meal Allowance and include fees and tips to porters, baggage carriers, and hotel staff.

### 4. REPORTING REQUIREMENTS

- A. CGC §53232 requires Board members to provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board, or if the Board member is not in attendance at the next regular meeting.
- B. Board members must provide an expense report form for actual and necessary expenses incurred in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. The expense reports shall: 1) document that expenses meet the existing policy for expenditure of public resources; 2) shall be submitted within a reasonable time after incurring the expense; and 3) the reports shall be accompanied by the receipts documenting each expense. The expense report would be required regardless of whether public funds are spent via a staff members credit card or check reimbursement.

### 5. “ETHICS LAWS”

For a Board member to be eligible to receive reimbursement, the Board member must attend at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years. All Board member reimbursements must be in compliance with “Ethics laws” that include, but are not limited to, the following:

- A. Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.

- B. Laws relating to claiming perquisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- C. Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

Note: All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1. In addition, an annual report will be posted on the District's website identifying all reimbursements made for over \$100 as required by CGC §53065.5.

- D. Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

## **6. EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT**

Expenses that are not eligible for reimbursement include:

- The personal portion of any trip;
- Political or charitable contributions;
- Family expenses, including a partner's expenses when accompanying a Commissioner on District-related business, as well as child- or pet-related expenses;
- 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;
- Alcoholic beverages, including personal hotel honor bar expenses;
- Tips greater than 20 percent (unless automatically included in the bill);
- Regular commuting costs and personal automobile expenses, including for vehicle maintenance and repairs, traffic citations, insurance and gasoline;
- Personal losses incurred while on District business;
- Laundry, cleaning, or valet service including luggage transportation (except of trips of over one-week duration);
- Personal telephone calls;
- Meals and lodging in lieu of other meals and/or lodging the expense of which is included in the Registration fee;

- Fines, forfeitures, traffic citations or other penalties;
- Loss or damage to personal property;
- Barber, beauty parlor, shoeshine or toiletries;
- Personal postage; and
- Credit card late fees or interest as a result of untimely submission of expense accounting forms.

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

## **7. PENALTIES**

Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies may include, but are not limited to, the following:

- A. The loss of reimbursement privileges.
- B. Restitution to the local agency.
- C. Civil penalties for misuse of public resources pursuant to CGC §8314.
- D. Prosecution for misuse of public resources, pursuant to §424 of the Penal Code.

## **8. ASSISTANCE WITH TRAVEL ARRANGEMENTS**

District staff provides Commissioners with assistance in making travel/training/conference arrangements and costs associated with those arrangements may be charged to a staff member's District credit card. Approval and reporting requirements are the same regardless of whether or not a Commissioner chooses to ask for assistance.