

CHAPTER 11

REIMBURSEMENT & BUSINESS TRAVEL POLICY

11.1 PURPOSE

The purpose of this policy is to establish rules to reimburse District officials and employees for reasonable and prudent costs associated with travel and business meals while serving a District purpose or for training, which will be of benefit to the District.

11.2 EMPLOYEE INCURRED EXPENSES

To be eligible for reimbursement, all expenses must be pre-approved by the employee's manager/supervisor. Expenses will be reimbursed through normal accounting procedures after completion and submission of an expense report or employee reimbursement request form. All requests for reimbursement must include an itemized receipt for each expense and be requested within 30 days of the incurrence of the expense.

11.3 CREDIT CARD USE

Credit cards may be issued to specific employees who either travel on a regular basis on District business or have the need to frequently purchase supplies or services. Credit cards shall be used only for legitimate, approved business of the District, subject to the following regulations. These cards should be used for all approved expenses as authorized in this section.

- A. No personal items may be charged on the business credit card unless approved by management.
- B. All charges must be in line with travel guidelines or as approved by management
- C. Receipts must be submitted to the Accounting Technician with the approved travel expense report, expense claims reimbursement form or the charge card request/authorization form within one week of making the charge.

11.4 MILEAGE

Reimbursement for mileage related to the use of a private vehicle will be made for mileage that is in excess of the employee's regular daily round-trip commute. Mileage reimbursement for operating privately owned vehicles will be made at the allowable IRS rate in effect at the time of travel. The mileage distance should be calculated from home or the PID offices using the shortest reasonable, direct route. Management employees who receive an automobile allowance may request travel reimbursement only when the round-trip distance exceeds 100 miles.

All tolls will be reimbursed at actual expense.

11.5 AIR TRAVEL

Travel exceeding 300 miles in each direction, as measured from the Sacramento Airport should, be done by air travel if practical. The reimbursement rate will be at the most economical and time-efficient rate found on the Internet at the time of purchase. Should an employee elect a different mode of travel (e.g., personal vehicle, bus, rail, etc.) reimbursement will be limited to the total costs that would have been incurred through air travel. Payments for travel time will always be paid in consideration of the quickest time (i.e., air travel versus driving time).

11.6 CAR RENTALS

When arranging for a car rental, preference is given to using the District's corporate accounts, however, in the interest of best practice, the traveler should always seek out the lowest rates via the internet or by obtaining emailed quotes from other providers. Reimbursement for rental car will include the cost of the rental car, gas, and rental insurance.

11.7 MEALS

The District will not provide reimbursement for meals associated with single-day travel.

The following guidelines should be used for reimbursement of meals while traveling overnight on PID business. Meals and incidental expenses (M&IE) will be reimbursed up to actual cost, based on the M&IE per diem rates established in IRS Publication 1542, using the "high-low" method. If reimbursement is based on actual expense, itemized receipts will be required. Reimbursement for the purchase of alcoholic beverages and any associated tax is prohibited. Special circumstances will be required to justify a request for reimbursement of actual costs that exceed per diem rates and must be approved by the employee's manager.

This will be changed to be in alignment with the posted GSA per diem rates. IRS notice 2024-68 specifies that incidentals are reimbursed at a rate of \$5 per day, so basing it on a percentage is not compliant.

Per 2024-68, the amount for high rate that is treated as paid for meals is \$86 and for low rate it is \$74. The posted GSA rates for \$86 is broken down as Breakfast \$22, Lunch \$23, Dinner \$36, Incidentals \$5. For \$74 it is Breakfast \$18, Lunch \$20, Dinner \$31, Incidentals \$5.

The IRS M&IE per diem rate will be allocated between three meals and incidentals based on the following percentages:

IRS M&IE PER DIEM %

Breakfast	15%
Lunch	25%
Dinner	50%
Incidentals	10%

To be eligible for meal reimbursement, the following criteria must be met:

A. For Breakfast –

You must have started traveling prior to 7 a.m. or have stayed overnight.

B. For Lunch –

You must have started traveling prior to 11 a.m. or have stayed overnight. If the travel ends prior to noon, lunch expenses will not be eligible for reimbursement.

C. For Dinner –

You must have started traveling prior to 4 p.m. or have stayed overnight. If the travel ends prior to 6 p.m., dinner expenses will not be eligible for reimbursement.

D. Incidentals –

Only one allowance for incidental expenses will be permitted for each 24-hour period of travel.

Should the meeting/conference/event provide meals for attendees and the employee chooses to forego the provided meal in favor of purchasing a meal, the expenses related to that meal are not reimbursable.

11.8 LODGING

The reimbursement rate will be based on the lodging per diem rate established in IRS publication 1542, using the “high-low” method. This reimbursement amount will cover all hotel-related costs, including necessary telephone usage, use of hotel facilities, resort fees, etc. Additional reimbursement may be available for parking and internet access if those costs exceed the per diem lodging rate.

At industry conferences, the reimbursement rate shall be the rate set for single rooms at the conference hotel. Hotel-related costs will be reimbursed when the conference rate option is used.

When it is impractical to travel to a seminar or business meeting in the morning before the event occurs, an employee may consider staying overnight the day before. When an event is concluded and the employee cannot reasonably arrive home by 8:00 p.m. that same night, then the employee may consider staying over.

11.9 MOBILE DEVICE

Employees that are issued a mobile device are expected to use that mobile device to place all calls while traveling on PID business in accordance with the District's Mobile Device Use Policy. Employees not issued a mobile device and traveling on PID business will be reimbursed for up to 10 minutes every night for necessary personal calls unless lodging is being reimbursed on the IRS publication 1542 high-low method, in which case such calls would be covered by reimbursements for lodging and/or incidental expenses. (Mobile Device Use Policy – Appendix B-13).

11.10 PARKING

Daily parking reimbursement must be based on the cost of the most reasonable and convenient option. Airport parking shall be reimbursed for the lowest available daily rates only.

11.11 TRAVEL APPROVAL PROCESS

Prior to making arrangements for and the commencement of travel, a travel request form with the total estimated cost of travel must be completed and approved by the manager/supervisor and the District Manager.

11.12 BOARD MEMBER TRAVEL

- A. Where there is any question regarding the level of appropriate reimbursement, the Board shall approve the reimbursement rate at the Board meeting held before the expense is incurred.
- B. Budgeted and reimbursable Board Member travel includes industry conferences, training, official meetings with officials from other governmental bodies to conduct official District business.
- C. Board Member Travel must comply with Government Code Sections 53232.2 & 53232.3.
- D. The District will not pay for or prepay for Director's guest expenses.
- E. If the 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 that is consistent with the District's Travel Reimbursement Policy.

- F. Board Members shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.
- G. If the District reimburses a Board Member for actual and necessary expenses incurred in the performance of official duties, then they shall provide expense report forms to be filed by the Board Members for reimbursement for actual and necessary expenses incurred on behalf of the District in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.
- H. Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.
- I. Board Members shall submit expense reports within a reasonable time after incurring the expense, as determined by the District, and the reports shall be accompanied by the receipts documenting each expense.
- J. Board Members shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board.
- K. Board Members shall report to the District Manager as soon as possible if they are unable to attend pre paid meetings in order to attempt to find a replacement.
- L. Board Members shall report at the next regular Board meeting the reason for missing any prepaid, preapproved meetings for which expenses were incurred. A majority of the Board may require that the Board member reimburse the District for expenses incurred by the District.
- M. All documents related to reimbursable District expenditures are public records subject to disclosure under the California Public Records Act (California Government Code § 6250 et seq.).
- N. Directors driving private vehicles on PID business are encouraged to attend a defensive driving class every four years to be held at the District office.

11.13 CONTRACT EMPLOYEE REPORTS

Contract employees of the District shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board.

11.14 DISCLOSURE OF REIMBURSEMENTS

An annual disclosure of Board Member or employee reimbursements for individual charges over \$100 shall be recorded and is available to the public in accordance with the California Public Records Act during the hours when the District offices are open.