

RESOLUTION NO. 1467

RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS ESTABLISHING A TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY SUPERSEDING RESOLUTION NO. 1438

WHEREAS, the Mesa Water District (Mesa Water® or District) is a county water district organized and operating according to California Law; and

WHEREAS, the Board of Directors (Directors) of the Mesa Water District desires to adopt a policy relative to the reimbursement of travel and business expense reimbursement for Directors and employees.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MESA WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. This Resolution establishes a policy for the reimbursement of travel and business expenses to Directors and employees as set forth in Attachment A.

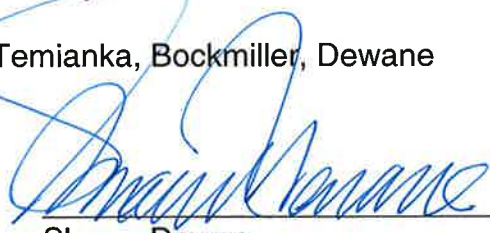
Section 2. This Resolution is intended to comply with the requirements of Government Code Sections 53232.2 and 53232.3, supplements the definition of actual and necessary expenses for purposes of state law relating to permissible uses of public resources, and supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws.

Section 3. The Financial Services Department has final approval of expense reimbursements for employees and members of the Finance Committee will review and approve all expense reimbursements from Directors.

Section 4. This Resolution supersedes Resolution No. 1438 and rescinds all prior Board actions and Mesa Water® management policies and procedures regarding reimbursement of travel and business expenses for employees.

ADOPTED, SIGNED, and APPROVED this 16th day of November 2015 by a roll call vote.

AYES:	DIRECTORS:	Atkinson, Temianka, Bockmiller, Dewane
NOES:	DIRECTORS:	Fisler
ABSENT:	DIRECTORS:	
ABSTAIN:	DIRECTORS:	



Shawn Dewane
President, Board of Directors



Coleen L. Monteleone
District Secretary

RESOLUTION NO. 1467

ATTACHMENT A

**RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ESTABLISHING A TRAVEL AND
BUSINESS EXPENSE REIMBURSEMENT POLICY
SUPERSEDING RESOLUTION NO. 1438**

Travel and Business
Expense Reimbursement Policy



TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

Adopted: November 16, 2015

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I. PURPOSE

The purpose of this policy is to establish uniform travel and business expense reimbursement policies, rules and claiming procedures for persons authorized to conduct Mesa Water District ("Mesa Water") business.

II. SCOPE

The Mesa Water travel and business expense reimbursement policy applies to all Mesa Water Directors, Mesa Water Employees, members of legislative bodies established by the Board (salaried or not) and non-Mesa Water Employees (such as contractors who receive travel and/or business expense reimbursements) traveling on Mesa Water business.

III. DEFINITIONS

Unless the context otherwise requires, the definitions contained in this part govern the construction of this policy. They do not necessarily apply in other Mesa Water contexts.

A. Accountable Expense Reimbursement Plan

Reimbursements of travel and other business expenses to a Mesa Water Director, Mesa Water Employee, contractor or volunteer will be considered to be made under an "Accountable Expense Reimbursement Plan" if the following three requirements are met:

- The person substantiates his or her expenses by submitting an "Expense Reimbursement" form with 1) the amount of the expenditure, 2) the time and place of the travel or business entertainment, 3) the business purpose of the expenditure, and 4) the names and business relationship of any persons entertained.
- The person documents the expenses with supporting receipts, paid bills, etc. within 60 days after the expense is paid or incurred, and
- Advances that exceed allowable business-related expenses, if any, are repaid to Mesa Water within 120 days after the expense is paid or incurred.

B. Mesa Water Business

"Mesa Water business" means the activity directly related to the ordinary, necessary and/or required business functions of Mesa Water. It does not include travel or expenses related to a Mesa Water Employee's participation in Mesa Water's Tuition Assistance Program or commuting expenses (a non-reimbursable expense).

C. Mesa Water Director

"Mesa Water Director" means any current member of Mesa Water's Board of Directors, whether elected or appointed.

D. Mesa Water Employee

"Mesa Water Employee" means any "common law" employee. Independent contractors and their employees are not Mesa Water Employees.

E. Mesa Water Traveler

"Mesa Water Traveler" means any Mesa Water Director, Mesa Water Employee or authorized non-Mesa Water Employee (such as a contractor) traveling on Mesa Water business.

F. Home

"Home" means the residence or actual dwelling place of Mesa Water Traveler without regard to any other legal or mailing address.

G. Main or Regular Place of Work

"Main or regular place of work" means the principal place of business for a Mesa Water Employee or the principal location to which a Mesa Water independent contractor is assigned to work for Mesa Water. This may be the place at which she/he spends the largest portion of his/her regular Mesa Water workday or working time or, in the case of field workers, the assigned location/headquarters to which she/he returns upon completion of regular or special assignments.

H. Meals

Reimbursable meals are defined as meals associated with Mesa Water business which require a Mesa Water Traveler to be away from home overnight or meals that are business-related. Business-related meals must be 1) directly related or associated with bona fide Mesa Water business matters and 2) approved for reimbursement by the Mesa Water Finance Committee for meals incurred by a member of the Board of Directors, or the General Manager or a department manager or his/her designee for staff meals whether incurred in connection with out-of-county business travel or while conducting in-county business. Also, in-kind meals which are defined as a meal provided to Mesa Water Employees for Mesa Water's convenience on the business premises of Mesa Water will only be provided to Mesa Water Employees if there is a substantial non-compensatory business reason for providing such meals to Mesa Water Employees.

I. Temporary Work Location

"Temporary work location" means the place where a Mesa Water Employee or contractor is assigned on an irregular or short-term basis. If a Mesa Water Employee is assigned to a work location for one year or less, then the location is considered temporary. Mesa Water Travelers attending conferences, meeting or training sessions away from the main or regular place of work, or field workers conducting fieldwork at off-site locations, does not normally constitute assignment to another site.

J. Vehicle

"Vehicle" means a motor vehicle, which can be legally operated on public highways.

IV. AUTHORIZATION TO TRAVEL

A. General Conditions

1. Travel will be authorized only when the travel is necessary and in the best interest of Mesa Water.
2. Advance authorization is required for all Mesa Water travel, as specified in items B & C directly below.

B. In-County Travel

Mesa Water Employees are authorized to travel within Orange County when said travel is required and is considered a part of the routine, day-to-day official duties of the employee as defined and authorized by the Board of Directors, General Manager, or department manager or his/her designee. All other in-county travel requires advance authorization by the Board of Directors, General Manager, or department manager or his/her designee.

C. Out-of-County or State Travel

1. All travel outside of Orange County, but within the State of California, requires advance authorization by the Board of Directors, General Manager, or department manager, or his/her designee.
2. All out-of-state travel by Mesa Water Employees requires advance written authorization by the General Manager.
3. Authorization for out-of-state travel by current members of the Board of Directors is subject to the guidelines established by the Board.

D. Travel Requests and Advances

1. Travel requests that require General Manager or department manager authorization shall be submitted to the General Manager or department manager pursuant to the respective policy. If the Mesa Water Employee is requesting a travel advance, an approved "Travel Advance Request" form, accompanied by all documentation relative to the request, shall be forwarded to the Mesa Water Financial Services Department.

V. TRAVEL EXPENSES

A. General Conditions

1. Mesa Water Travelers are entitled to submit a claim for actual, ordinary (not lavish or extravagant) and necessary expenses for transportation, meals, lodging, and incidentals for authorized travel, subject to the conditions set forth in this policy, whenever the expenses are incurred as part of his/her official duties and authorized because Mesa Water's Traveler is required to conduct Mesa Water business or attend a school, training, meeting or conference/seminar overnight at a location sufficiently distant from main or regular place of work to qualify under this policy for meal reimbursement and overnight lodging.
2. Notwithstanding Section 1 above, claims shall be paid subject to the rules set forth in this policy and statutory law. Eligibility to submit a claim does not automatically entitle the claimant to reimbursement for any and all expenses.
3. Mesa Water Travelers receiving reimbursement from an outside source for travel on Mesa Water time shall forward said reimbursement to the Mesa Water Financial Services Department for handling and deposit if the traveler intends to submit a claim to Mesa Water or use Mesa Water's resources to travel. Said Travelers shall then be entitled to submit a claim for actual, ordinary and necessary expenses for transportation, meals, lodging, and incidentals, subject to the conditions set forth in this policy.
4. Arrangements for transportation, lodging or registration fees that have cancellation or change penalties shall be carefully monitored by the requesting department. If the cancellation/change occurs due to a Traveler's personal request or obligations, the traveler will be required to pay the corresponding penalty, except when the Board of Directors, General Manager, or department manager determines that the reason for the traveler's absence was legitimate and authorized.

B. Transportation Expenses

1. General Conditions

- a. Transportation expenses are the direct costs related to movement of a Mesa Water Traveler from authorized point of departure to destination of travel and back to the authorized point of return.
- b. All transportation expenses incurred shall be based upon the most efficient, direct, and economical mode of transportation required by the occasion.
- c. Whenever a time frame is established as the criteria for eligibility for claiming transportation expenses, such as the requirements set forth for meals in Section V, subsection C. 1. d., estimated travel time shall be based upon legal vehicle speed limits, volume of traffic, and weather conditions in effect at the time of travel.

2. Vehicle Transportation

Vehicle use (both Mesa Water-owned and private) by Mesa Water Travelers during the conduct of official Mesa Water business is subject to Mesa Water's policy, DM-013, Vehicles Used for District Business.

a. Private Vehicle

- i. Travel by private vehicle will be reimbursed at the IRS rate for business use of a private vehicle in effect at the time of travel.
- ii. Mesa Water Travelers who travel in a vehicle other than their own may not claim mileage for business use of a private vehicle, but may claim reimbursement of actual fuel expenses necessary for the trip and expended by the Traveler. Receipts are required and should be claimed by the Mesa Water Employee actually paying the expense.
- iii. Mesa Water Travelers may not claim mileage for business use of a private vehicle in the following instances:
 - When a Mesa Water Traveler is riding with someone who will be claiming reimbursement for the vehicle's use from Mesa Water or another source.
 - When a Mesa Water Traveler is traveling in a Mesa Water-owned or other government agency vehicle.

- When a Mesa Water Traveler is traveling in a rented vehicle (paid by Mesa Water).
 - When a Mesa Water Traveler has been assigned a Mesa Water-owned Vehicle for home retention unless specifically provided for in the terms of their employment agreement or contract with Mesa Water or by Board resolution.
- iv. Mileage to a Mesa Water Employee's main or regular place of work, from or to home is considered non-business commuting and may not be claimed.
- v. Mileage to a Mesa Water Employee's temporary work location from home, and back, may not be claimed except in the following cases:
- If a Mesa Water Employee is required to report to the main or regular place of work before reporting to the temporary work location, she/he is eligible for mileage from the main or regular place of work to the temporary work location. This is considered to be nontaxable business travel.
 - If a Mesa Water Employee is required to report to the main or regular place of work after working at the temporary work location and before going home, she/he is eligible for mileage from the temporary work location to the main or regular place of work. This is also considered to be nontaxable business travel.
- vi. Mileage in conjunction with authorized Mesa Water travel to and from a school, training, conference/seminar or meeting shall be based on the distance to the destination from the Traveler's home or the regular or main place of work, whichever is less, except in the following cases:
- If the traveler is required to report to his/her work location before leaving, she/he is eligible for mileage to the school, training, conference/seminar or meeting from the work location.
 - If the traveler is required to report to his/her work location before returning home, she/he is eligible for mileage based on the distance from the school, training, conference/seminar or meeting to the work location.
 - All such mileage reimbursements for transportation will be treated as nontaxable.
- vii. Appointed volunteer members of Mesa Water boards,

commissions, or advisory committees may claim mileage to the official meetings of their respective boards from home, and back.

- viii. Mesa Water Employees who are members of personnel interview panels may claim mileage to the panel location from their main or regular place of work, and back.
- ix. When two or more Mesa Water Travelers are traveling to the same site by vehicle at the same time, they should use only as many vehicles as are required to accommodate the number of travelers and business needs of Mesa Water. If a Mesa Water Traveler chooses to use a separate private vehicle because of personal preferences or obligations, he/she shall not be eligible for mileage or fuel reimbursement for the travel unless the Board of Directors, General Manager, or department manager determines that reimbursement is appropriate and justified.
- x. If a Mesa Water Traveler chooses to use a private vehicle instead of an alternative mode of transportation chosen by the Board of Directors, General Manager, or department manager because of personal preferences or obligations, his/her mileage reimbursement shall not exceed the cost of using the alternative mode of transportation unless the Board of Directors, General Manager, or department manager determines that the additional reimbursement is appropriate and justified.
- xi. If a Mesa Water Traveler is paid a vehicle allowance, reimbursement for in-county vehicle expenses are not reimbursable.

b. Mesa Water-Owned Vehicle Transportation

- i. Mesa Water Travelers using a Mesa Water-owned vehicle for traveling shall not be eligible for reimbursement for mileage.
- ii. Mesa Water Travelers required to fuel a Mesa Water-owned vehicle at their own expense should claim the actual fuel costs expended by them. Receipts must accompany the claim. Vehicle license number and the odometer reading should be written on the receipts.
- iii. If a Mesa Water-owned vehicle experiences mechanical failure, the Mesa Water Traveler shall call the Water Operations Department during normal business hours for assistance.

c. Rental Vehicle Transportation

- i. Vehicles may be rented for transportation at the destination point when a Mesa Water Traveler travels to the destination via commercial common carrier and the cost of the rental will be less than the charge for taxi service (or other reasonable and available modes of transportation) to and from the carrier termination point to the function or hotel accommodations.
- ii. Vehicles may be rented for transportation to the destination point when the cost of the rental will be less than other reasonable and available modes of transportation.
- iii. If more than one Mesa Water Traveler from is traveling to the same function at the same time, only one rental vehicle may be claimed and then only if it is available for use by all Mesa Water Travelers.
- iv. A Mesa Water Traveler shall choose based upon the most efficient, direct, and economical mode of transportation required by the occasion. Rental expenses for luxury vehicles, motorcycles and recreational vehicles may not be claimed.
- v. When traveling domestically a Mesa Water Traveler shall first seek to obtain the ACWA/JPIA rate which contains additional vehicle insurance. Otherwise, travelers should waive additional vehicle insurance (except for additional driver and coverage for drivers under 25 years of age), provided that the Mesa Water Employee has his/her own vehicle insurance coverage. When traveling internationally, additional insurance should be accepted if the traveler lacks other similar coverage.
- vi. A vehicle rental receipt showing the number of days and type of vehicle rented is required for vehicle rental claims. A copy of the receipt or a credit card receipt alone is insufficient.

d. Commercial Carrier Transportation

- i. Mesa Water Travelers shall seek and attempt to achieve the lowest overall cost in selecting refundable and changeable airfares utilizing commercial carrier service. Whenever possible, travelers should take advantage of flight arrangements that minimize Mesa Water cost (for example, purchasing a round trip ticket may be less expensive than two one-way tickets). Reservations should be made as far in advance as possible to take advantage of available discounts and special offers. Travel agents that have added ticket

handling charges should be avoided.

- ii. Claims for travel via commercial carrier shall be based upon the most efficient, direct, and economical mode of transportation required by the occasion. Mesa Water Travelers may upgrade tickets, provided that the traveler and not Mesa Water pay for the difference in cost for such upgrade. Mesa Water will not reimburse any type of travel insurance. Reasonable baggage charges, if imposed by the airline, are reimbursable.
 - iii. Claims for commercial carrier tickets shall be substantiated by an original ticket document (such as an e-ticket or passenger receipt ticket copy) showing the price, date, date/time of travel and class of travel. A copy of the credit card receipt or statement from a travel agency alone is insufficient.
 - iv. Mesa Water Travelers may retain frequent flyer/hotel rewards and similar program benefits. However, participation in these programs must not influence flight/hotel/etc. selection, which would result in incremental cost to Mesa Water beyond the lowest available airfare/hotel cost unless the difference is paid by the traveler. Free tickets or cash allowances for volunteer denied boarding compensation may be retained by the traveler but no additional cost to Mesa Water or interruption of Mesa Water business is allowed and any additional time required to complete the trip is to be personal time.
 - v. Should a Saturday night stay reduce the cost to Mesa Water of a ticket more than the total of any additional hotel/meal/parking cost, the costs to do so are reimbursable to the traveler but should be well documented with a clear savings to Mesa Water .
- e. Private Aircraft Transportation
- i. Traveling by private aircraft will not be subject to any reimbursement.
- f. Other Transportation Expenses
- i. The following necessary transportation expenses may be claimed at actual cost (receipt required) when directly related to transporting a Mesa Water Traveler to and from the destination point:
 - Taxi, shuttle, or public transit fares.
 - Parking fees, airport long-term parking (for travel exceeding 24 hours).

- Bridge, road or ferry tolls.
 - Other actual transportation expenses determined to be reasonable and necessary by the Board of Directors, General Manager, or department manager and the Mesa Water Financial Services Department.
- ii. The following transportation expenses may not be claimed and will not be subject to Mesa Water reimbursement:
- Traffic and parking violations.
 - Emergency repairs or non-emergency repairs on non-Mesa Water-owned vehicles.
 - Personal travel while at an out-of-county location.
 - Other actual transportation expenses determined to be unreasonable or unnecessary by the Board of Directors, General Manager, or department manager or the Mesa Water Financial Services Department.

C. Meal Expenses

1. Eligibility for Meals

- a. Mesa Water Employees, contractors and volunteers may be reimbursed for in-county meal costs that are 1) ordinary (not lavish or extravagant) and necessary based on the facts and circumstances, 2) directly related or associated with bona fide Mesa Water business matters and 3) approved by a member of the Board of Directors, General Manager or a department manager or his/her designee. Mesa Water business discussions associated with a meal must be conducted in a “clear business setting” as determined by the facts and circumstances.
- b. Mesa Water Travelers involved with in-county travel that does not require an overnight stay away from their home are not eligible to claim for meals taken outside Mesa Water, unless the requirements of paragraph a) above are met, or unless provided for in a Board of Director-approved written Mesa Water policy.
- c. Mesa Water Travelers on out-of-county business travel that requires an overnight stay away from their home are eligible to claim for meals taken out-of-county.

- d. Mesa Water Travelers are eligible to claim the meal reimbursements noted below for travel requiring overnight lodging if the total travel time (work time, plus the lunch period plus round-trip travel time) is estimated to equal or exceed 12 hours: Breakfast may be claimed if a Mesa Water Traveler must reasonably be away from home because of Mesa Water business travel at or before 8:00 a.m. Lunch may be claimed if a Mesa Water Traveler must reasonably be away from home because of Mesa Water business travel at or before Noon. Dinner may be claimed if a Mesa Water Traveler must reasonably be away from home because of Mesa Water business travel at 6:00 p.m. or after.
- e. Purchasing and/or claiming for meals for federal, state or local public officials or employees is prohibited if any portion of the meal is for lobbying purposes, including any other Mesa Water Employees unless provided for under other Board of Directors approved written policies.
- f. Mesa Water Travelers are not eligible to claim meals or other expenses of those persons who are not otherwise eligible to file a claim themselves for Mesa Water reimbursement.
- g. Mesa Water Travelers are not eligible to claim or receive reimbursement for anyone other than themselves.

2. Meal Claims

- a. Mesa Water's maximum full day meal expense rate shall be equal to \$80 as an approximate standard of meal reimbursement rates established by the Federal Government. Said maximums exclude taxes and gratuities. The maximum meal reimbursement rates will be revised annually using a 12-month comparison and adjusted accordingly with the most recent data released prior to December 1, of each year, employing the following index: Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange Counties.
- b. Meal costs may exceed the prescribed maximum full day meal expense rate if the meal is being served at a conference or seminar and the costs of the speaker, conference, and/or registration are included in the price. The agenda/brochure or other documentation describing the event and the price must accompany the claim to the Mesa Water® Financial Services Department.
- c. Claiming for alcoholic beverage expenses are prohibited in all cases.
- d. As required by California Government Code 53232.2 a member of the Board of Directors seeking reimbursement must provide receipts for all meals and will be reimbursed at the lower of the appropriate amount

previously defined in this policy or the actual expense.

D. Lodging Expenses

1. Eligibility for Lodging

- a. For out-of-county business travel that is conducted on one day, a Mesa Water Traveler will have the option of securing one night's lodging at either the front-end or back-end of the trip.
- b. For out-of-county business travel that is conducted on more than one day, a Mesa Water Traveler will have the option of securing one night's lodging at both the front-end and back-end of the trip.
- c. For out-of-county business travel that requires multiple nonconsecutive days, if Mesa Water Travelers are eligible to claim lodging for the first and last evenings of an out-of-county trip, they are also eligible to claim lodging for any evenings that fall in between the first and last evenings of the trip.
- d. Mesa Water Travelers may stay additional nights if the savings in travel costs are greater than the costs of accommodations (lodging, meals, etc.) for the extra night(s).
- e. Mesa Water Travelers are not eligible to claim lodging staying overnight as a guest of friends or relatives.

2. Lodging Claims

- a. Lodging expenses shall be claimed at either the actual cost of the lodging (limited to the single occupancy rate for a single room) or available government lodging rates, whichever is less, not to exceed \$275. The not to exceed amount for lodging reimbursement rates will be revised annually using a 12-month comparison and adjusted accordingly with the most recent data released prior to December 1, of each year, to the following index: Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange Counties. Receipts are required. Taxes are in addition to the applicable government lodging rates.
- b. Lodging costs may exceed Mesa Water's maximum lodging rate as defined in (a) above only in the following instances:
 - A conference/seminar or meeting sponsored by an organization of which Mesa Water or a Mesa Water Employee is a member, the lodging may be claimed at the actual cost if conference/seminars or meetings are to be held at the particular hotel (or at published

conference lodging rate at surrounding hotels) and/or events are scheduled for evening hours, and the Board of Directors, General Manager, or department manager has given advance written authorization.

- c. An original room folio receipt, showing the number of days and the number of occupants, is required for lodging claims. A copy of the receipt, travel agency statement or a credit card receipt alone is insufficient.
- d. When a room is shared with another Mesa Water Traveler, the expense may either be prorated, and the prorated amount claimed by each traveler, or one traveler at the multiple occupancy rate may claim the total expense.
- e. When a room is shared with a person other than a Mesa Water Traveler and said person will also be claiming reimbursement from Mesa Water or another source, the amount shall be prorated between the two travelers.
- f. Lodging expense may not be claimed for guests of a Mesa Water Traveler. Where expense for a family member or friend is included in the receipt, the claim must not exceed the single occupancy rate.
- g. Special lodging, such as accommodations in apartments, RV parks, campgrounds or other semi-permanent lodgings, shall require advance written authorization of the Board of Directors or General Manager.
- h. Mesa Water Travelers should inquire when making lodging arrangements whether Mesa Water is exempt from Transient Occupancy Taxes (TOT) in the locale where they are staying and should provide the necessary form to the lodging facility, if required to do so to obtain the waiver.
- i. Except when registering for lodging at a pre-arranged group rate in conjunction with a conference or meeting, Mesa Water Travelers shall request the government lodging rate or lowest available eligible rate when making lodging arrangements.
- j. Mesa Water Travelers are responsible for canceling hotel rooms before the cancellation period ends and should record the cancellation number in case of disputes. Travelers will not be reimbursed for "no-show" hotel charges unless there are unavoidable reasons for not canceling the room.
- k. When multiple Mesa Water Travelers are traveling together and the rooms are put on one invoice, one traveler may take care of the invoice but should provide the details on who stayed in each room on the invoice.

E. Registration Fees

Conference and seminar registration and tuition fees may be claimed at the actual cost, provided that the agenda/brochure or other documentation describing the event, including the price, accompanies the approved claim to the Mesa Water Financial Services Department.

F. Other Travel Expenses

1. Mesa Water Travelers are eligible to claim an incidental allowance, limited to \$10 for each day of travel requiring an overnight stay away from the traveler's home. Said allowance covers fees and gratuities for persons who provide services, such as luggage handlers, and does not require receipts. Gratuities are limited to not exceed 20 percent of the service costs unless billed by a provider's standard policy at a higher rate.
2. Mesa Water Travelers are eligible to claim the following expenses at actual cost. Receipts are required.
 - a. Business calls (traveler must provide purpose of call on the bill).
 - b. Fax machine charges incurred to send or receive documents for Mesa Water use.
 - c. Copy machine charges incurred to copy documents for Mesa Water use.
 - d. Internet access connection and/or usage fees away from home.
 - e. Other business related expenses determined to be reasonable and necessary by the Board of Directors, General Manager, or department manager and the Mesa Water Financial Services Department.

VI. OTHER MESA WATER BUSINESS EXPENSES

A. General Guidelines

In the course of conducting Mesa Water business, Mesa Water Employees, contractors or volunteers may incur business expenses (including meal expenses) on behalf of Mesa Water. Such expenses will be approved for reimbursement if the disbursement meets the following requirements:

- The disbursement is for an ordinary (not lavish or extravagant) and necessary expense of conducting Mesa Water business, or is an expense that is required by Mesa Water.
- The expense is approved by the Mesa Water Finance Committee,

General Manager, or a Mesa Water department manager or his/her designee.

- The payee accounts for the expense in accordance with the rules for an “Accountable Expense Reimbursement Plan” as set forth in the Internal Revenue Code, related regulations and this policy.
- For meal expenses, Mesa Water’s meal expense rates shall be equal to the amounts specified in Section V.C.2.a.

B. Taxation of Business Expense Reimbursements

If a reimbursement to a Mesa Water Employee, contractor or volunteer meets the requirements of an “Accountable Expense Reimbursement Plan”, then such reimbursement will not be reportable for federal or California income tax purposes.

VII. CLAIMING PROCEDURES

A. Travel Advance Claims

1. Authorizations and Eligibility

- a. Travel advances are strongly discouraged and are only available to Mesa Water Employees. Members of the Board of Directors are not eligible for travel advances.

For Mesa Water Employees not assigned a district credit card. Mesa Water Employees should use their personal credit cards to pay for their travel expenses. Departments may use the district credit card to pay for airline tickets and conference registration expenses for all Mesa Water Employees. Commercial carrier and conference/seminar registration expenses should not be considered in the travel advance calculation. The third choice would be a cash advance, if necessary.

- b. Travel advances require the authorization of the General Manager, or department manager or his/her designee, and the Mesa Water Financial Services Department.
- c. The net amount of the travel advance shall not exceed the following:
 - i. 100 percent of the total estimate for the following travel expenses, exclusive of payments made payable directly to the vendor:
 - Lodging (documentation, including at least the confirmation number and hotel name should be provided), including hotel parking.
 - Rental vehicle transportation.

- Per diem meal allowances.
 - Long-term airport parking.
 - Other out-of-pocket expenses deemed necessary and reasonable by the Mesa Water Financial Services Department.
- ii. 100 percent of the total estimate of reimbursement for mileage for business use of a private vehicle.
- d. A travel advance shall not be issued for a net amount less than \$100.00 nor more than \$2,000.00.
 - e. A travel advance shall not be issued more than thirty (30) calendar days in advance of the commencement of travel.
 - f. Travelers are not eligible for an additional travel advance if they have an unsettled advance, unless the advances are for travel taken consecutively. In such case, the sum total of the travel advances shall not exceed \$2,000.00.

2. Travel Advance Requests

- a. Requests for travel advances involving travel shall be submitted by the General Manager, or department manager to the Mesa Water Financial Services Department on a completed and signed "Travel Request" form, accompanied by all documentation relative to the request, at least ten (10) working days in advance of the commencement of travel.
- b. After a completed and approved "Travel Request form is received by the Mesa Water Financial Services Department, a check payable to a Mesa Water Employee for the amount requested shall be issued, up to the 100 percent maximum amount allowed pursuant to this policy.

3. Travel Advance Settlements

- a. Within fifteen (15) working days of completion of travel, a Mesa Water Employee shall submit all receipts for allowable travel expenses to the department manager and within thirty (30) working days of completion of travel to the Mesa Water Financial Services Department on a completed "Expense Reimbursement" form. Credit for the travel advance shall be subtracted from the amount owed to a Mesa Water Employee.
- b. In the event that allowable expenses are less than the amount of the travel advance, a Mesa Water Employee shall submit the difference in

the form of a check or money order made out to the "Mesa Water District" with the "Expense Reimbursement" form.

- c. Mesa Water Employees who cannot provide a required receipt shall reimburse Mesa Water for the amount of the money advanced to them for that expense.
- d. Mesa Water Employees who do not submit the required documentation by the time frames set forth above may lose their eligibility for future travel advances.
- e. The General Manager or department managers are responsible for ensuring that their employees settle their travel advance claims within the time frames set forth in subsection a) above.

B. Prepaid Travel Claims

1. Travel Claim Requests

- a. Once travel has been authorized, vendor invoices may be submitted for lodging and registration fees when there is sufficient time for the check to be processed before the authorized Mesa Water Traveler commences travel.
- b. If the travel requires a "Travel Request" form, the approved form shall be submitted with the invoice. If the original has been submitted with a previous invoice, then that shall be noted on the "Expense Reimbursement" form and a copy of the form attached.
- c. If possible and practical, Mesa Water shall be named as registrant for events to allow transfer of attendance privilege when conflicts prevent the original registrant from attending.
- d. Mesa Water will mail the check directly to the vendor unless the traveler requests that the check be returned to them to hand carry to the vendor.

2. Travel Expense Claim Settlements

- a. Each "Expense Reimbursement" form must have an original receipt attached in order to settle the claim. The required receipts for travel claims that have been prepaid shall be forwarded to the Mesa Water Financial Services Department within thirty (30) calendar days after completion of travel.
- b. Claims paid directly to vendors that are not substantiated by receipts within thirty (30) calendar days of the completion of travel shall be

considered to be unsettled travel expenses to a Mesa Water Traveler.

- c. The General Manager or department managers are responsible for ensuring that their employees return their receipts within the time frames established by this policy.
- d. In the event that all or a portion of the prepaid cost to a vendor is reduced after the check has been processed, a Mesa Water Traveler is responsible for ensuring that the entire difference is returned to Mesa Water within the time frames established for settling the claim.

C. Reimbursement Claims

- 1. After completion of travel or business activity, a Mesa Water Traveler shall submit a completed "Expense Reimbursement" form to the Board of Directors, General Manager, or department manager for authorization. After review and authorization, the Board of Directors, General Manager, or department manager shall submit the authorized claim form, together with any required receipts, to the Mesa Water Financial Services Department. Said claim form shall be received by the Mesa Water Financial Services Department within thirty (30) calendar days of when the expense is incurred.
- 2. The traveler shall not be reimbursed until she/he has signed the certification for the claim that is required by the Mesa Water Financial Services Department.
- 3. The Mesa Water Financial Services Department shall periodically review the "Expense Reimbursement" form for compliance with applicable Mesa Water policies and procedures. If approved by the Mesa Water Financial Services Department, the claim shall be processed and a check sent to the claimant within ten (10) working days. If denied, or denied in part, the department's contact person will be notified immediately. The Mesa Water Financial Services Department has the final decision on allowable expenses for Mesa Water Employees and members of the Mesa Water Finance Committee will review and approve all expense reimbursements from Directors.
- 4. No reimbursement for travel or business expenses shall be paid to the Mesa Water Traveler until all required receipts for the claim have been filed with the Mesa Water Financial Services Department.
- 5. Travel reimbursements are to be paid via check and shall not be paid via petty cash.

D. Mileage Claims

1. Whenever travel requires advance authorization of the Board of Directors, General Manager, or department manager, or his/her designee, the resulting mileage expense shall be claimed on the same "Expense Reimbursement" form as the other expenses that apply to that travel. The only exception is if mileage is the only expense of the trip, in which case the Mesa Water Employee may claim the mileage on the monthly "Travel Request" form and Mesa Water Directors may claim reimbursement through Accounts Payable on their bi-weekly payroll form.
2. Whenever travel does not require advance authorization of the Board of Directors, General Manager, or department manager, or his/her designee, the resulting mileage expense shall be claimed on the "Expense Reimbursement" form.
3. Mileage claims shall be submitted monthly.
4. All mileage claims for the last month of the fiscal year must be processed by year-end close (currently June 30 of each year).

E. Reimbursement by Outside Source

1. Mesa Water Travelers receiving reimbursement from an outside source for travel on Mesa Water time shall forward said reimbursement to the Mesa Water Financial Services Department for handling and deposit if the traveler intends to submit an expense claim to Mesa Water or use its resources, including a Mesa Water-owned vehicle, to travel. In such cases, the traveler shall then be entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals, subject to the claiming conditions set forth in this policy. Said reimbursement shall be delivered to the Mesa Water Financial Services Department within ten (10) days of the receipt of the funds.
2. If a Mesa Water volunteer or non-employee will be receiving a per diem or other reimbursement of travel expenses from a source outside of Mesa Water, they are not eligible to claim or receive any additional reimbursement from Mesa Water for the same expenses.

F. Late Claims

If a claim for reimbursement or settlement of a travel claim is submitted after the allowed time frames, the payment to the Mesa Water Employee shall not be made until the claim has been reviewed and approved by the Mesa Water Financial Services Department.

G. Missing Receipts

If a receipt is lost or if no receipt was provided, the Mesa Water Traveler must complete a "Missing Receipt" form as substantiation of the expense in addition to supporting documentation that is not normally accepted as sufficient (i.e., credit card statement, credit card receipt, etc.). This form should be scanned or faxed along with all other receipts applicable to incurred travel expenses. The Mesa Water Financial Services Department has the final decision regarding reimbursing Mesa Water Employees for missing receipts, and members of the Mesa Water Finance Committee will review and approve all reimbursements for missing receipt from Directors.

VIII. INTERPRETATIONS

The Mesa Water Financial Services Department shall be responsible for interpretations of this policy.

IX. EXCEPTIONS

Exceptions to this policy require the approval of the Board of Directors or General Manager.

X. CONFLICT WITH RULES

In the event that this policy is in conflict with another Mesa Water policy, the policy with the strictest application shall prevail.