

POLICY TITLE: EXPENSE REIMBURSEMENT
POLICY NUMBER: 4100

COMMITTEE APPROVAL DATE: 10/07/2024 **WRITTEN/REVISED BY:** FINANCE / HR
BOARD APPROVAL DATE: 11/20/2024 **SUPERSEDES:** 11/28/2018

POLICY:

4100 It is the policy of Beach Cities Health District (“District”) to recognize the value of Board Members and employees conducting the District’s business by attending professional conferences, seminars, meetings, community events, training, etc. and to establish a protocol for obtaining prior approval of reimbursable expenditures for ordinary and necessary expenses that are paid or incurred by the employee or Board Member in connection with performing the services for the District. The District also recognizes that instances may occur when Board Members and employees may incur various types of job-related expenses on behalf of the District to perform its services and that travel and networking is a job requirement for some District employees.

SCOPE:

4100.1 Management of and accountability for travel, networking and job-related expenses rests with all District Board Members and employees. We share a common duty to use good business judgment and a fair regard for the District’s funds when incurring, approving or reimbursing these expenses while transacting District business.

RESPONSIBILITY:

4100.2 It is the responsibility of management to understand, communicate, and enforce this policy uniformly among District employees. It is the responsibility of employees to understand the policies, guidelines, and procedures, and to follow them accordingly. Employees must ask their supervisors if they are unclear as to its application.

This policy will be jointly administered by the District’s Finance and Human Resources Departments. The District’s Chief Executive Officer will address questions pertaining to the interpretation of this policy.

GUIDELINES:

4100.3 This policy provides standardized guidelines, procedures and information for its Board Members and employees in the initiation of any job-related expense, travel or networking and the substantiation and reimbursement of District reasonable business expenses incurred.

GENERAL PROCEDURES:

4100.4 Budget approval: Estimated travel, networking and job-related expenses shall be submitted as part of the annual budget process.

4100.5 Board approval: Attendance at conferences or travel requested by an elected or appointed Board Member requires approval by the Board President or Secretary/Treasurer. The Chief

Executive Officer's expense report requires approval by a Board Member.

4100.6 Chief Executive Officer approval: Attendance at national, state or regional conferences by multiple employees is prohibited, except if approved in the annual budget or with prior written approval from the Chief Executive Officer. All employee travel requests (defined as: [a] travel of 100 miles or more from the District or the employee's residence, whichever is more and/or [b] requiring an overnight hotel stay) and networking related expenses require prior approval from the Chief Executive Officer.

4100.6.1 Department approval: District employees shall secure approval from their department head prior to paying for any job-related expenses, attending any local conference, seminar and/or meeting. "Local" shall be defined as a) travel less than a 100-mile radius from the District or the employee's residence, whichever is less and b) not requiring an overnight hotel stay.

4100.6.2 Compensation for travel time: Time spent in a travel status that is officially authorized away from the employee's official duty station may be compensable for non-exempt employees. For any clarifications on compensation for travel time, please contact the Human Resources department.

4100.6.3 Employee's responsibility: District employees are required to have proper regard for the appropriateness of expenditures in their conduct of District business and are to obtain required pre-approvals with respect to incurring any such expenditure. All employees' expense report must be approved by their direct supervisor.

4100.7 Registration: Except as provided herein, all registration fees for approved conferences, seminars or meetings shall be paid in advance and directly by the District or employee (for which they seek reimbursement) to the sponsoring organization. District employees should register at the earliest time possible to avoid late registration charges. In cases where an employee's registration is late and cannot be paid directly by the District, the employee will have to pay the registration fee from his/her own funds and seek reimbursement with appropriate itemized receipts. This exception for late registration is not to be a recurring item for the same employee.

4100.8 Expense Reimbursement for Traveling Companion: The District will not reimburse for travel related expenses on behalf of a travel companion (e.g., family member, guest).

4100.9 Lodging: The cost of lodging accommodations for approved conferences, seminars or meetings may be paid directly by the District or reimbursed to the employee as outlined below.

4100.9.1 If the lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of Section Government Code 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234), 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 or District employee at the time of booking. If the group rate is not available, the board member or employee shall use comparable lodging that is consistent with the IRS lodging rates established by Publication 463 or any successor publication.

4100.9.2 Hotel and motel charges shall be based on **single** occupancy rates. The District

will not reimburse Board Members or employees for lodging expenses incurred by family members, domestic partners or friends when any such individuals accompany a Board Member or employee. In instances where conference hotels are filled, the employee should attempt to secure comparable rates at the nearest hotel.

4100.9.3 Pre-conference lodging will be offered for **national** travel requiring extensive travel time and adjustment. Pre-conference lodging shall be granted for **regional** sites, e.g., San Diego, San Francisco, Las Vegas, Phoenix, etc., **if** the conference starts in the morning and the employee cannot reasonably be expected to arrive at the conference site in time for the opening meeting.

4100.9.4 Note: Starting time is for actual conference, not registration or optional tours or conference sponsored events at employee's expense.

4100.9.5 Lodging will be considered for **local** travel **if** the following conditions are met; **the length** of the conference is **more** than one day **and** the distance is **more** than 60 miles from the District or the employee's residence, whichever is more **or** if the employee's presence is **necessary** for "after" conference hours activities. However, no pre-conference lodging will be allowed for local travel and no after-conference lodging will be allowed.

4100.9.6 If an employee plans to extend the trip pre- or post-conference, the employee will be required to pay the excess of what the cost would have been if the trip had not been extended.

4100.10 Transportation: Board Members and employees shall use government and group rates offered by a transportation provider, when available. An employee or Board member, when making travel arrangements, shall secure the most economical mode of transportation in keeping with availability, convenience, and propriety. Economical mode shall also factor the means of travel that requires the least amount of time away from scheduled work hours as approved by his or her supervisor.

4100.10.1 If the employee prefers to use a personal automobile, mileage reimbursements will be at the Internal Revenue Service (IRS) mileage reimbursement rate and comply with IRS mileage reimbursement rules for business related purposes as follows:

4100.10.1.1 For the purpose of expense reimbursements, Del Amo Office, 510, 520 and 514 Prospect Avenue buildings are considered the same campus (location). AdventurePlex in Manhattan Beach is considered a separate location for mileage reimbursement purposes.

4100.10.1.2 Appropriate expense reimbursement instances include visiting clients and partners from an assigned work office to their workplace/location and/or running work-related errands from an assigned work office to a supply store, a bank, the post office, or a governmental entity.

4100.10.1.3 Employees are required to submit an expense reimbursement and/or mileage reimbursement for every work-related expense that they incur for business purposes.

4100.10.1.4 For mileage reimbursements, employees need to provide purpose of visit along with a mileage log supported by maps from the beginning to the end point of the trip.

4100.10.1.5 Mileage will be reimbursed for the distance of the business related meeting or event location from the employee's designated office location and back (where the event location is further from an employee's residence). Rideshare services may be used when there is no other suitable means of transportation to reach the event location and only after preapproval from supervisor.

4100.10.1.6 The District will not reimburse employees for expenses not necessary for business purposes such as driving and parking violation tickets, vehicle repairs and maintenance, and towing charges.

4100.10.2 An employee may request to use the District-owned vehicle for local travel. Approval must be obtained in advance by the Administrative Services Department so that it can be verified the employee is approved as a driver by the District's insurance provider.

4100.10.3 Travel costs within the conference area include the costs of travel to and from the conference and the lodging sites. Travel from airport to the conference and/or lodging site and back should be accomplished by a form of shuttle when feasible. Original itemized receipts are required in order to be reimbursed.

4100.10.4 Car rentals may only be provided in circumstances where airport transportation or additional airfare costs exceed the rental cost. When calculating the cost of car rentals, consideration must be made for parking charges at the conference and/or lodging site. While renting a vehicle, preference should be given to an entry-level or the most economical vehicle available. Drivers must adhere to the rental requirements and restrictions must be followed. Original itemized receipts are required for reimbursement.

4100.10.4.1 Drivers should be aware of the extent of a coverage (if any) provided by their automobile insurance company for travel that is business or not personal in nature.

4100.10.4.2 Travelers are strongly encouraged to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates.

4100.10.5 Reasonable use of taxi cabs will be allowed.

4100.10.6 Parking: Original itemized receipts are required for parking fees (including airport parking). The lodging bill can be used as a receipt when charges are included as part of the overnight stay.

4100.10.7 Tolls: Original itemized receipts are required for tolls.

4100.11 Personal expenses: The costs of alcoholic beverages, laundry/dry cleaning, in-room movies, tours, personal entertainment and other non-District related personal-related expenses are not reimbursable. Reasonable travel insurance is permitted. **Optional** tours, banquets or other activities offered through the conference but as an additional cost to registration, are solely at the

discretion of the employee and will be considered as a personal expense. Provided, however, these expenses may be reimbursable if they are approved by the President of the Board of Directors or the Chief Executive Officer as reasonable networking expenses.

4100.11.1 The District will not prepay any personal expenses with the intention of being “repaid” at a later time, nor will any personal expenses be reimbursed.

4100.12 Meal expenses: Board members and employees will be reimbursed for reasonable meal expenses while on travel status. If meals are provided in the conference, reimbursement will not be provided since it would be the Board Member’s or employee’s personal preference to purchase a separate meal. Original itemized receipts for meals are required.

4100.13 Networking and Community Events: The Chief Executive Officer and other professional staff will be reimbursed for networking related expenses that are business related and further the District’s mission in the community. The Board provides the Chief Executive Officer with the latitude to use prudence and sound judgment since not all networking activities can be planned in advance as a part of the budgeting process. Board Members will follow reimbursement guidelines outlined in **Policy 2130**: Reimbursement of elected Officials for Participation in Community Events.

4100.14 Cash Advances: While cash advances are not encouraged, the District will provide a cash advance if necessary. Requests for travel advances must be prepared on the Check Request form and shall never exceed estimated expenses for the travel involved. Itemized receipts must be submitted on an Expense Report form within ten (10) business days of return from the trip.

4100.15 Expense Report Forms: The District will provide to Board Members and employees expense report forms to be completed by Board members or employees who submit expenses for reimbursement. The expense report form will document the incurred expenses following the terms of the District’s written expense reimbursement policy explained herein and **Policy 2130**: Reimbursement of elected Officials for Participation in Community Events.

4100.16 Receipts and Submission Deadline: Original itemized receipts and copies of the conference schedule when applicable will be required to substantiate expenses. No reimbursement will be processed without proper documentation and/or explanation.

4100.16.1 Board members shall submit expense reports within fifteen (15) days of the end of the fiscal year when incurring the expense, and the reports shall be accompanied by such itemized receipts documenting such expense.

4100.16.2 Employee expense reports are to be completed within fifteen (15) days of the end of the fiscal year of the date of occurrence. The purpose for this is to keep information clear and precise for proper processing of payment. The purpose in this is to ensure that the District’s financial statements present fairly the financial condition of the District.

4100.16.3 The District will not reimburse employees for a prior fiscal year expense if the expenses are submitted after August 15th in the current fiscal year.

4100.17 Maintenance of Expense Report Forms: Expense report forms and supporting documentation are public records subject to disclosure under the California Public Records Act. They shall be maintained by the District as a public record for a period of five years after the expense is

incurred.

4100.18 Reporting on Reimbursed Meetings: Board Members, at the next regular board meeting, shall provide brief written or oral reports on meetings that were attended at the District's expense. Such report(s) can be included in the standing "Board Member Reports" agenda item for that Board meeting.

4100.19 Failure to comply with this policy and related procedures may result in disciplinary action up to and including termination from employment.

EXCEPTIONS:

4100.20 The Chief Executive Officer is the only person authorized to make exceptions to this policy.