



## **Board Policy No. 155**

### **Travel, Meeting and Miscellaneous Expense Reimbursements for Directors and Board Officers**

**ADOPTED:** 10/89

**RECENT AMENDMENT:** 7/12/23

**SEE ALSO:** 160, 217, 438, 438A

**SUBJECT CATEGORY:** SECTION 100, GOVERNANCE & ADMINISTRATION

**SUBSECTION:** TRAVEL

**CONTROL DEPARTMENT:** DISTRICT SECRETARY

#### **I. PURPOSE**

The purpose of this policy is to establish procedures relative to travel, meeting and miscellaneous expenses incurred by the members of the Board of Directors and Officers of the AC Transit District in the performance of their duties; to define authorizations required to incur such expenses; to ensure uniform and fair payment of expenses; and to establish procedures for securing reimbursement.

As a public transit agency, the use of low or no-carbon travel options, public transit or mass transit when attending to District business is strongly encouraged to advance AC Transit's sustainability goals.

#### **II. PERSONS AFFECTED**

This policy applies to members of the Board of Directors and Board Officers only.

#### **III. DEFINITIONS**

**"Directors"** means the members of the AC Transit Board of Directors.

**"Officers"** means those enumerated in Public Utilities Code Sections 24926 and 24930, namely, the General Manager/Chief Executive Officer, General Counsel/Chief Legal Counsel, and Board Administrative Officer/District Secretary.

**"District Business"** means activities that are directly related to the necessary and required functions of the District.

**"Conference"** means conferences or committee meetings of the American Public Transportation Association (APTA), the Conference of Minority Transportation Officials (COMTO), the Transportation Research Board (TRB), and other transit-related conferences or meetings, in addition to conferences or meetings that are directly related to the duties of an Officer and such other meetings, seminars or gatherings as authorized by the Board.

**"Board Meeting"** means any official meeting of the AC Transit Board of Directors, or any committee meeting of the Board of Directors.

**“Meeting”** means any meeting other than a “Board Meeting” as defined above, including business meetings or travel related to an investigation of a product or a process the District is acquiring or interested in acquiring.

**“Personal Business”** means the conduct of business for personal financial gain at a conference or meeting which is not specifically related to District business.

**“Political Function”** means any activity that is held for the purpose of supporting or opposing, or raising money to support or oppose any candidate, ballot measure, or political party.

**“Incidental Expense”** means any fee or tip given to porters, baggage carriers, or hotel staff.

**“Written Justification”** means an explanation of an expense provided in electronic mail, fax, digital or handwritten formats that provides a record.

#### IV. POLICY

##### A. Sustainable Travel

When attending to District business, Board members and Board Officers should consider the environmental impact of traveling, whether it be local, in-state, out-of-state or abroad. The following alternatives should be considered to improve carbon savings, thus reducing the impact of carbon emissions associated with travel:

- Take public or mass transit to and from destinations
- Attend events, meetings and conferences remotely If possible (no impact)
- Walk or bike whenever possible (no impact)
- Carpool (less impact)
- Prioritize direct flights (less fuel)
- Fly newer aircraft (more efficient)
- Fly economy (greater passenger load)

##### B. Travel Authorization and Approval

###### 1. Out-of-State Travel

All out-of-state travel for Directors and Officers to attend a conference or a meeting related to District business and at District expense, subject to the limitations in this policy, shall be approved by action of the Board of Directors prior to incurring expenses. In unusual or emergency circumstances, if prior Board approval is not possible, the Board President may approve out-of-state travel for Directors and Officers. In such situations, the travel authorization shall be presented to the Board of Directors for ratification at its next scheduled Board meeting. Travel authorizations do not require placement on the Board

agenda through the agenda planning process and shall be submitted directly to the Board Administrative Officer/District Secretary for placement on an upcoming agenda.

2. In-State Travel

- a. Each Director is authorized to travel at District expense within the state when in the Director's judgment such travel is required in connection with a conference or meeting related to District business and at District expense, subject to the limitations in this policy. Directors shall notify other Directors and the Officers of their planned attendance prior to such attendance at any meeting or conference located outside the nine-county Bay Area, which includes the counties of Alameda, Contra Costa, San Francisco, San Mateo, Marin, Napa, Santa Clara, Solano and Sonoma.
- b. Each Officer is authorized to travel within the state when in the Officer's judgment such travel is required in connection with a conference or meeting related to District business and at District expense, subject to the limitations in this policy. Notification to the Board of Directors of travel and absences from the area shall be in accordance with Board Policy 160.

3. Notwithstanding subsection B.2.d. below, Directors are strongly encouraged to work with the District Secretary's Office to make all travel arrangements on their behalf.

4. Limitations

- a. Reimbursement for travel and meeting expenses shall be limited to \$9,000 per Director per fiscal year. A Director may not carry over any unused funds remaining from the Director's travel allocation in one fiscal year to the next fiscal year. This limitation shall not be applicable to prepayment of conference registrations, airfare or hotel costs in the current fiscal year for travel that occurs, or is scheduled to occur, in the next fiscal year.
- b. The Board President, unless unavailable, shall be the Board's primary representative with staff in advocacy activities that are official in nature. If the Board President is not available, the Board President may designate another Director to represent the Board. Any Director, while traveling on District business to a conference or meeting, may advocate on the District's behalf informally if an opportunity arises provided the Director has communicated their interest to do so with staff in advance.
- c. Board President: In addition to the limitation in Subsection a, above, the President of the Board of Directors shall be entitled to an additional \$2,000 expense reimbursement during the first half of the fiscal year and \$2,000 during the second half of the fiscal year. Since the Board President is elected in January of each year, this split provides for an equitable distribution of the additional sums for this position. However, if the Board President leaves office or their term as President ends, any funds remaining in their

travel budget in excess of \$9,000 shall be held in suspense and transfer to the next Board President when they start their term as President. This transfer of funds shall not apply to a Board member who is only temporarily serving in the role of President on an interim or acting basis.

- d. Adjustments in Authorizations: The amounts listed in Subsection a. above shall be automatically adjusted (on a prorated basis) in any given year if inadequate or additional budget appropriations are authorized by the Board.
- e. Officers: Travel and meeting expenditures by Officers shall not exceed approved budget appropriations and associated fiscal policies established therewith.
- f. Personal Business: Under no circumstances shall the District be responsible for any travel, leisure activities, entertainment, etc. associated with personal business either directly or indirectly while attending to District business. If a Director or Officer attends a conference or meeting for which reimbursement is claimed that also includes personal business, the Director or Officer shall only seek reimbursement for the expenses associated with the conduct of District business. The Director or Officer shall disclose, prior to the approval of the travel, when required by this policy, the dual nature of any travel and the portion undertaken on behalf of the District.
- g. Guests: Regardless of a Director or Officer's attendance at a conference or meeting, expenses for family or guests shall not be incurred, nor reimbursed by the District.
- h. Privately-Owned Vehicle Use: Directors and Officers who comply with the requirements for use of a privately-owned vehicle established in Board Policy 438 – Vehicle Use Policy and the procedures established in Administrative Regulation 438A may use their privately-owned vehicle while conducting District business subject to the limitations of this policy.

## 5. Travel Reports

Directors shall provide, not later than the next Board meeting following return from a trip, a brief oral or written summary of the Directors activities and/or information learned during the trip. Attachments and/or other substantive materials from the trip are encouraged, but not required. The District Secretary shall coordinate distribution of such memorandum(a) to Directors, Officers and such other staff as the General Manager may designate but shall not be responsible for the preparation of such memorandum(a).

## C. Travel and Meeting Reimbursable Expenses

### 1. Lodging

- a. No reimbursement is authorized for overnight accommodations in the counties of Alameda, Contra Costa, San Francisco, or San Mateo. A Director may receive

reimbursement for overnight accommodations in the counties of Marin, Napa, Santa Clara, Solano and Sonoma, if exceptional circumstances warrant the expense and if prior Board approval is obtained. An Officer may receive reimbursement for overnight accommodations in the counties of Marin, Napa, Santa Clara, Solano and Sonoma, if exceptional circumstances warrant the expense and if prior approval is obtained from the Board President.

- b. Reimbursement for lodging expenses, including any mandatory fees and applicable taxes, will be on the basis of actual expenditure but shall not exceed the standard room rates at official conference hotels for single occupancy, except when the conference hotel is full, reimbursement shall be provided for the least expensive alternative nearest to the conference hotel or venue. Directors and Officers shall be responsible for any amount in excess if they choose stay elsewhere. Reimbursement for hotel and motel lodging expenses shall cover the days of travel (to and from the conference or meeting) as well as the days of the conference or meeting. No reimbursement shall be paid for additional days of stay to conduct personal business. In such instances where lodging is required for a meeting, every effort shall be made to choose the lowest cost lodging alternative. Directors and Officers shall make a reasonable effort to secure hotel reservations in advance to ensure the District receives the best rate for lodging.

## 2. Transportation

- a. Travel up to 150 miles one-way may be by private automobile. Reimbursement shall be at the rates prescribed by the Internal Revenue Service. Reimbursement for modified vehicles for disabled individuals shall be reimbursed at the rate authorized by the State of California Department of Rehabilitation.
- b. When actual mileage exceeds by 10% the reasonable distance between points, the Director or Officer must justify such excess, otherwise reimbursement will be made only on the most direct route.
- c. Travel to destinations over 150 miles one-way will be paid at mileage or airfare cost, but in no event shall the reimbursement exceed the value of coach airfare and related surface travel authorized in Subsection d., below.
- d. Airfare, seat selection and reasonable baggage fees based on the length of the trip for foreign and domestic flights shall be reimbursed based on the value of the applicable round-trip coach airfare to the proposed destination. All efforts should be made to obtain the lowest available fare by making reservations well in advance of departure; however, refundable fares may be purchased at the discretion of the Director or Board Officer. The District shall not reimburse Directors or Officers "early-bird" check-in fees, or in-flight food or beverages. No District funds shall be expended on airfare for guests.

If, for personal business, a Director or Officer books a multi-city flight (e.g. triangle fare, etc.), the District shall only reimburse the difference between the cost of a direct flight,

not excluding layovers, from the Bay Area to the proposed destination where the District business will take place. A reasonable quote shall be provided to the District Secretary in advance as evidence of the estimated cost of the portion of the travel related to District business. If combining personal and District business air travel on one itinerary, Directors and Officers shall book their own flights and request reimbursement from the District as to the business portion of the flight upon return from the trip and submission of a claim for reimbursement. No District funds shall be expended on personal airfare.

Under exceptional circumstances (e.g. a last-minute approval for the travel, a documented medical condition, etc.) the Board may authorize reimbursable airline travel by business class (or its equivalent). Nothing in this subsection shall prohibit a Director or Officer from using accumulated air miles, including those acquired in accordance with subsection IV.B.2.g. to upgrade to a better passenger class, but reimbursement shall be based on the applicable coach airfare.

- e. If transportation is provided as part of the registration fee for a conference, reimbursement may not be sought if the Director or Officer prefers another mode of transportation unless it is public transportation.
- f. Other Transportation Costs: The following expenses shall be authorized when such services are the lowest available cost given the circumstances of the travel:
  - i. Travel to and from airports, including private automobile mileage, taxis, airport shuttles or buses. Public transportation shall be the preferred method of travel, whenever feasible or when other more cost-effective transportation is not available.
  - ii. Storage, parking, toll and baggage handling charges when such charges are reasonable and necessary.
  - iii. Automobile rental expenses shall only be authorized in those unusual situations where written justification showing that the rental fees are the most cost-effective means of travel has been provided in advance of the trip. For out of state travel, approval is to be obtained as part of the travel authorization submitted to the Board. For in-state travel, approval shall be obtained from the Board President in advance of the trip. Whenever possible, Directors and Officers should opt for the lowest cost economy zero emission rental vehicle.
- g. Frequent Flier Miles: If a Director or Officer purchases airline tickets (and then directly requests reimbursement from the District), or the tickets are purchased directly by the District, the Director or Officer may retain frequent flyer miles for which he/she may be eligible. Any frequent flyer miles paid for or reimbursed by the District should be used for air travel on District business.

### 3. Meals

- a. The District's maximum full day meal and incidental expenses rate shall be equal to the maximum federal per diem and incidental expenses rate established by the Internal Revenue Service (IRS) and the U.S. General Services Administration (GSA) for travel within the continental United States (CONUS), outside the continental United States (OCOUS), and foreign rates as published by the United States Government, or \$65 per day if the rate is unpublished. Per diem rates can be found at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

Per diem for the first and last day of actual travel to and from a conference or meeting will be based on the Meals and Incidental Expenses (M&IE) Breakdown published on the GSA website at the rate published for the First and Last Day of Travel for the corresponding M&IE total. Per Diem will be allowed in full only when:

- i. the conference is located beyond the nine Bay Area counties (Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano or Sonoma);
  - ii. while in attendance at the conference or meeting; and
  - iii. when conference fees do not include meals.
- b. If a conference fee includes some, but not all meals, or if an attendee must forego some or all of the provided meal(s) for health or business reasons, reimbursement shall be based on the M&IE Breakdown as published on the GSA's website. If a conference attendee forgoes a meal for health or business reasons, an explanation for the separate meal purchase(s) must accompany the claim for reimbursement. Reimbursement shall be based on the overall meal and incidental expense total for the city the conference or meeting takes place and shall not exceed established rates.
- c. Expenses for conference luncheons, special banquets, or other set-price official affairs which exceed the GSA limitation, will be reimbursed on the basis of actual expenditure upon presentation of documentation of the set price. Any meal(s) subject to this provision shall be deducted from the total per diem amount based on the M&IE value of the meal,
- d. Meal expenses, not related to out-of-town conferences, meetings or Board meetings, shall only be reimbursed when such expense is related to official District business and the individual is precluded from taking meals at home or in the customary manner. Receipts are required for all such expenditures and shall be itemized on an individual basis stating the purpose and expense.
- e. Directors or Officers will be reimbursed for reasonable meal expenses incurred in conjunction with a District business meeting, including reimbursement for a third party's meal when the claim for reimbursement identifies who is included in such District business meeting and the nature of the District business.

- f. Reimbursement for alcoholic beverages as part of meal expenses shall not be permitted unless said expense is part of a fixed-price conference or meeting event and separation of such expense from the total cost is not possible.
- g. No reimbursement shall be provided for incidental expenses beyond what is already included in the IRS per diem rate.

#### 4. Other

- a. Registration: Registration fees for conferences or meetings will be paid at actual cost. Official literature indicating the cost of registration and conference or meeting dates must accompany the request for approval of travel as required by this Policy.
- b. WiFi Access: Reimbursement for WiFi access in hotel rooms and on out-of-state flights is permitted when such access is necessary to conduct official District business and occurs during the course of business-related travel.
- c. Travel/Trip Insurance: Reimbursement of reasonable travel/trip insurance is permitted for airfare and lodging at the discretion of Director or Board Officer.

#### 5. Personal Care Attendant

Disabled Directors or Officers requiring the services of an attendant while traveling on District Business may be reimbursed for expenses of the attendant as provided herein.

- a. The cost of personal services of an attendant may be reimbursed in an amount not to exceed \$100 per day without prior Board approval. All reimbursement shall be made directly to the Director or Officer requiring said service.
- b. Disabled individuals who require the services of an attendant may be reimbursed for actual hotel or motel lodging expenses for the attendant, but this expenditure shall not exceed the standard room rates for official conference hotels for double occupancy.
- c. Subject to the provisions of Section IV.B.3., above, a personal care attendant for a disabled individual shall be entitled to receive per diem for meals.
- d. Expenses reimbursed under this provision shall not apply to annual expense authorization limits established in Section IV.A.4.

#### 6. Board of Directors and Board Officers Meeting Expenses

- a. Directors: Directors may seek reimbursement for public transportation or mileage to all meetings and Board meetings within the District and elsewhere.

- b. Board Officers: For meetings and Board meetings at sites other than the General Offices, Board Officers may seek reimbursement for mileage or public transportation expenses.
- c. All claims for mileage reimbursement will be at the Internal Revenue Service rate and calculated on the round-trip actual mileage between two points. When actual mileage exceeds by 10% or more the reasonable distance between two points, the Director or Officer must justify such excess. The inability to do so will result in the reimbursement being made only on the most direct route.

## 7. Restrictions

- a. If, for personal convenience, a Director or Officer uses an indirect route to travel or travels by a direct route that is interrupted, except for reasons beyond the control of the individual, any resulting additional expense will be borne by the claimant.
- b. If travel is for multiple purposes, e.g., District business and personal business, only the prorated or lowest amounts for expenses incurred in the travel related to the District's business will be paid by the District.
- c. Reimbursement of costs or travel expenses incurred while attending a political function shall not be authorized.
- d. No District credit cards shall be issued to any Director. Board Officers may be issued a District credit card for use consistent with expenses otherwise reimbursable in accordance with this policy and subject to the provisions of the Administrative Regulation regarding the use of AC Transit Corporate Purchase Card, except to the extent that those regulations conflict with the provisions of this policy.

## D. Miscellaneous Expenses

### 1. Miscellaneous Expenses

Directors are authorized to submit claims for miscellaneous expenses when said expenses are incurred in connection with District business. Examples of miscellaneous expenses include, but are not limited to:

- a. Memberships, dues or subscriptions to professional or transit organizations or publications which enhance the Directors' ability to perform official business.
- b. Office supplies or postage related to and required for the conduct of District business, e.g. envelopes, stamps, paper, etc., shall be ordered through the District Secretary. Any single item priced at \$100 or more shall be pre-approved by the Board President upon receipt of written justification.
- c. Telephone charges incurred as part of the conduct of District business.

## 2. Communication Devices/Equipment

The District shall provide the following communication devices/equipment to each Director:

- 1) a smartphone capable of sending email, text messages, running smartphone applications, and internet browsing; and
- 2) a tablet device or a laptop with the applications and software necessary for Board meetings and to conduct other District business.

All District-issued devices/equipment are subject to the Board Policies and Administrative Regulations governing said use, and the Director is required to sign an acknowledgment waiving privacy regarding records of the use of said devices/equipment. Limited personal use is permissible; however, devices/equipment are to be used primarily for District business and shall not be used for campaign purposes.

The Department of Innovation & Technology shall develop a menu of device/equipment options that conform to the District's technology standards for Directors to select from. Devices are eligible for replacement every two years unless the device is broken, lost or stolen. Lost or stolen devices shall be immediately reported to the Department of Innovation & Technology. There shall be no monthly charge against a Directors' Section IV.A.4. allocation for business use of said devices/equipment; however, excessive roaming and data charges will be deducted from the Director's Section IV.A.4. allocation if related to District business. If excessive charges are a result of personal use, the Director must reimburse the District for said use. Directors may reimburse the District for any personal use of devices/equipment on a monthly basis.

A Director may use the Section IV.A.4. allocation for any other equipment, such as a printer, mouse, keyboard, fax machine (including monthly service fees), etc. and does not need the approval of the Board President to purchase said items unless the total cost is over \$100 per item. Any request by a Director for additional software for a laptop shall require the approval of the Chief Information Officer prior to purchase/installation. Approval is not required to purchase apps for smartphones and/or tablet devices. The cost of all non-standard software applications and smartphone/tablet applications shall be paid using a Directors' Section IV.A.4 allocation and must be for business use.

All devices/equipment issued to a Director shall remain the property of the District and shall be returned to the District upon separation.

## 3. Limitations

Expenses incurred relating to Section IV.C.1. shall be included in the limitation computations established in Section IV.A.4.

**D. Reimbursement**

1. All claims for reimbursement from Directors or Officers shall be prepared on a District Expense Report form and shall be presented for payment monthly or upon completion of a trip, but no later than one month following the month in which the expense was incurred. If expenses and required receipts are not submitted on or before the expiration of this time period, the Director or Officer shall not be entitled to any reimbursement of those expenses. Expense claims for expenses incurred near the end of the fiscal year shall be submitted for reimbursement no later than June 30th.
2. All claims for reimbursement shall include an itemization of expenses, provide a brief explanation of the purpose of the conference or meeting and shall include original receipts or vouchers for all expenses incurred, with the exception of per diem unless otherwise required by this policy. Documentation, such as a charge statement or airline boarding passes, which do not provide details of such expenditures, will be deemed inadequate for purposes of reimbursement. If a receipt cannot be obtained or has been lost, a statement to that effect shall be made on the expense report form and the reason given. In the absence of an explanation satisfactory to the applicable approving authority, the amount involved shall not be allowed.
3. All claims for reimbursement shall include a statement, signed by the individual submitting the expense report, certifying that the expenses contained in the report are actual expenses incurred while on official business for the District and that the expenses conform to the District's policy on expense reimbursement.
4. Directors shall submit their District Expense Reports to the General Manager/Chief Executive Officer, or designee, for review and determination that: (1) the claims for reimbursement are in accordance with this policy document; and (2) the necessary budgetary funds are available for disbursement.
5. The Board Officers shall submit their expense reports (including monthly statements for the District Credit Card) to the Board President, or Vice President in the President's absence, for review and determination that: (1) the claims for reimbursement are in accordance with this policy document; and (2) the necessary budgetary funds are available for disbursement.
6. Directors and Board Officers are required to submit an expense report when a trip is cancelled for any expenses that are not refundable, subject to the requirements outlined in the section.
7. Any disputes resulting from the aforementioned reviews outlined in Sections IV.D.4 and IV.D.5. shall be forwarded to the Board of Directors for a final determination, unless the Board President refers the matter to the appropriate standing committee for initial review and recommendation to the Board.

**V. AUTHORITY**

**A. Board Authority****1. Review of Expenditures**

On a quarterly basis, an itemized summary of year-to-date travel, meeting and miscellaneous expenses for Directors, reimbursed pursuant to this policy, shall be submitted to the Board of Directors for review.

As part of the review of the quarterly reports, the Board shall monitor the types of District business necessitating business expense reimbursement, may seek clarification to the nature of any given business expenses, and may establish restrictions to future authorized expenses.

The Board of Directors, the General Manager/Chief Executive Officer, or their designees, may request and shall be entitled to receive any usage records, however denominated, e.g. phone bills, data charges, facsimile usage records or otherwise, associated with equipment provided by the District to a Director for use in conjunction with the business of the District. A Director who receives communication devices/equipment provided by the District for District business recognizes, and by receiving that equipment agrees, that they have no expectation of privacy regarding the usage records associated with said devices/equipment.

2. Questions pertaining to the interpretation of this policy shall be submitted, after legal review, to the Board of Directors for final determination.

**VI. ATTACHMENTS**

None