

FRESNO IRRIGATION DISTRICT

POLICY NO:	130-528	REVISION/REVIEW DATES:
POLICY TITLE:	Compensation and Reimbursement Policy	March 18, 2009 December 16, 2014
SOURCE:	Accounting	
BOARD		
APPROVAL DATE:	October 11, 2006 April 8, 2009	

This policy replaces Policy No. 511, Use of District Credit Cards and Policy No. 512, Authorization and Reimbursement of District-Related Expenses, and Policy No. 513, Reimbursement of Expenses for Spouses Accompanying Directors and Staff.

Purpose and Scope

To provide Directors, Management and Staff with direction compensation and expenditures especially the types of District-related expenditures that can and cannot be made without prior authorization of the Board, reporting procedures, and the use of District credit cards. This policy is in compliance with AB1234 (2006) and AB2040 (2014).

Policy

Reporting and Disclosure of Compensation of Elected Officials, Officers, and Employees

The District will post in a conspicuous location on the District's website, a link to the Controller's Government Compensation posted by the State Controller's Office in compliance with AB2040, which adds Article 10.5, Local Agency Internet Posting of Financial Information to Chapter 4 of Part 1 of Division 2 of Title 5, of the Government Code.

Authorized Expenditures

District expenses shall include, but not be limited to, the following: meeting stipends, transportation, lodging, meals, tips and registration/attendance fees for official functions.

District funds, equipment, supplies, and staff time shall only be used for authorized District business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses of Directors, Managers or Staff members that may be reimbursed, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on District adopted policy provisions;
2. Attending educational seminars designed to improve a Director's, Manager's or Staff's skills and information levels;

3. Participating in regional, state and national organizations whose activities affect the Districts interests; including attendance at a semi-annual conference of the Association of California Water Agencies (ACWA).
4. Recognizing service to the District (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost);
5. Attending District events; including but not limited to, meetings of the Board, standing committees of the Board, or temporary committees of members of the Board.
6. Attendance at a meeting with members of the legislative, executive or judicial branch of the State or Federal governments when attendance is authorized by the Board or President.
7. Attendance at a meeting with leadership of any local agency when authorized by the Board or the President to discuss District business.
8. Attendance at a meeting with President, Vice President or a committee, when authorized by the President or Board.

For purposes of this section, attendance includes:

- (a) Physical presence at the majority of the meeting, event, or occurrence listed above, unless presence for a lesser period is authorized by the President or by the Board or committee, respectively.
- (b) Lawful participation by teleconference in any other meeting listed in this policy.
- (c) Participation in an approved home study or online ethics course to meet the requirements of Government Code Sections §53234 – §53235.5.

The following expenses also require prior Board approval:

1. International and out-of-state travel for Directors, Management, or Staff;
2. Accommodations for overnight stays for Directors, Management, or Staff; and
3. Expenses which exceed the limits established for Directors, Managers, or Staff if the District establishes such limits.

Personal expenses are **not** reimbursable and may not be charged on the District's credit cards. Examples of personal expenses that the District will not reimburse and not pay include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;

3. Family expenses, including partner's expenses when accompanying a Director(s), Manager(s), or Staff member(s) on agency-related business, as well as children or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the cinema), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance, commuting mileage, or gasoline;
6. Alcohol, laundry service, and personal telephone calls; and
7. Personal losses not related to the District's business incurred while on District business.

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

Meeting Stipends

General

Consistent with Water Code Section §20200 and prior action taken by the District, Directors may receive \$150.00 per day as a daily meeting stipend for each day's attendance at meetings, as defined in this policy, if the Board approves a daily meeting stipend. Such compensation is in addition to any reimbursement for meals, lodging, travel and expenses consistent with this policy.

Meetings and Service Subject to Daily Stipend

To be entitled to a daily stipend, the event in question must constitute one of the activities listed in this policy. Examples of events and meetings are found under "Authorized Expenditures" on pages 1 and 2 of this policy. Additionally, the term "meeting" is defined in section §54952.2 of the Government Code. This section is also known as the Ralph M. Brown Act.

As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section §54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.¹

Aggregate Limits

¹Pamphlet: The Brown Act, Open Meetings for Local Legislative Bodies, 2003, California Attorney General's Office, page 8.

The number of days for which a Director receives a daily stipend shall not exceed the aggregate limits established by state law (AB1234). The aggregate limit as stated in the 2008 California Water Code Section §20201 is ten days per calendar month.

Reimbursement Requirements

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the District may be limited to the costs that fall within the guidelines.

Unless the Board or this policy establishes other permitted reimbursement rates for travel, meals, lodging and other actual and necessary expenses, the District will reimburse expenses at the U.S. General Services Administration (GSA) rate for travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication.

Conferences/Education

Reimbursement of expenses of attendance at an authorized conference or organized educational activity shall include any registration, attendance, tuition, materials or other similar charge of the conference organizer or activity provider.

Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements should be used, using the most direct and time-efficient route. Government and group rates offered by a provider of transportation shall be used when available.

Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (see www.irs.gov). For 2015, the rate is 57.5 cents per mile. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. The Internal Revenue Service mileage rates will not be paid in conjunction with rental vehicles; only receipted fuel expenses and the cost of the rental vehicle will be reimbursed.

Taxi or shuttle fares may be reimbursed, including gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time efficiency.

Lodging

Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay.

If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking.

Directors, Managers, and Staff must request government rates when available. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence reimbursable for purposes of this policy. In the event that government rates are not available at a given time or in a given area, lodging rates equal to or less than the rate shown on the GSA schedule for the city/state or area of travel will be used (see www.gsa.gov). Lodging rates that do not exceed this amount per night are presumed reasonable and hence reimbursable. Other rates must be approved by the Board.

Official overnight travel and other related expenses by Directors, Managers, and Staff must be pre-authorized by the Board of Directors. In unusual circumstances where overnight travel is urgent and necessary to the District, but is unforeseen until after the previous Board meeting, the General Manager may authorize such travel with consent of the Board President.

Meals

The maximum daily amount reimbursable for local meals including beverages and tips will be based on the GSA schedule for the current year². In certain high cost cities the maximum daily amount reimbursable for meals including beverages and tips is \$64.00³. Such amounts will be annually adjusted to reflect changes in the GSA schedule for the current year. The District may not pay for tips greater than 18%.

This policy recognizes that it is sometimes in the best interest of the District to provide meals for business guests during the conduct of District business and pre-authorizes Directors, Managers and Department Heads to make reasonable and appropriate expenditures for that purpose.

Telephone/Fax/Cellular

Directors, Managers, and Staff will be reimbursed for actual telephone, cellular, and fax expenses incurred on District business. Telephone and cellular bills must identify which calls were made on District business.

Internet

Directors, Managers and Staff members will be reimbursed for Internet access connection and/or usage fees away from home, if Internet access is necessary for District-related business. Reimbursement will not exceed the actual amount charged by the out-of-town accommodation.

Airport Parking

Long-term airport parking must be used for travel exceeding 24-hours.

Credit Card Use Policy

² Example: U.S. General Services Administration, Fresno, California, \$54.00 per day which includes gratuity (for 2009).

³ U.S. General Services Administration, Los Angeles, California, \$64 per day which includes gratuity.

The District does issue credit cards to individual Directors and specified staff for selected District expenses. Directors and Managers may use the District's credit card for such purposes as meal purchases and hotel reservations by following the same procedures listed in this policy. Receipts documenting expenses incurred on the District credit card and compliance with this policy must be submitted within ten (10) business days of use or upon return from the business trip.

There shall be no personal or unauthorized expenses charged on District credit cards.

Cash Advance / Per Diem

Staff members traveling without a District credit card may receive a cash advance based on the per diem rates published by the GSA. Advances will be given to each employee one business day prior to the date of departure. Each employee is required to sign the Cash Advance Form upon receiving the advance. Upon return, receipts and cash must be submitted totaling the amount of the advance.

Expense Report Content and Submission Deadline

All cash advance expenditures and expense reimbursement requests must be submitted on an expense report form provided by the District. Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the Director should explain whose meals were purchased and the nature of the meeting.

Directors, Managers, and Staff must submit their expense reports within thirty (30) days of an expense being incurred, accompanied by receipts documenting the expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation in a timely fashion may result in the expense being denied for reimbursement.

Audits of Expense Reports

All expenses are subject to verification that they comply with this policy.

Reports to Board

Except where the subject of a meeting relates to matters discussed in closed session, each Director shall briefly give an oral report on meetings attended at District expense. If multiple Directors attended, a joint report may be made.

Compliance with Laws

Directors should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expenditures are public records subject to disclosure under the Public Records Act and other laws.

Authorized Employees

The Board may determine if the activities of any staff person is authorized and subject to this policy and therefore subject to reimbursement.

Violation of This Policy

In compliance with AB1234 (Government Code Section §53232), the following are the causes of action that may be pursued for violation of this policy:

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the District, 3) the District reporting the expenses as income to the Director to state and federal tax authorities, 4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.

EFFECTIVE REVISION DATE: December 16, 2014

Adopted by the Fresno Irrigation District Board of Directors:

Date: _____

Attest: _____

Secretary to the Board of Directors