

Article 2

EXPENSE ACCOUNT REGULATIONS

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§ 6320. Policy.

Payment for travel and other expenses incurred by directors and employees shall be allowed only for the purpose of furthering the interests of the District. An expense shall be deemed to be incurred to further the interests of the District when it is incurred for an activity that has a significant and meaningful link to the purposes, policies, and interests of the District. It is the purpose of these regulations to furnish rules, guidelines and procedures to assist directors and employees in claiming reimbursement of all such expenses. Expenditures will be closely scrutinized and only those considered to be necessary will be allowed. Directors and employees shall repay the District for disallowed expenses incurred on their behalf.

Section 435.1 - M.I. 33162 - March 11, 1980. Section 435.1 repealed and Section 6320 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39019 - June 11, 1991.

§ 6321. Expense Reimbursement Rates.

Expenditures for lodging, meals, transportation and other activities, as authorized in accordance with Sections 6324, 6325 and 6326, should provide for reasonable comfort and convenience. It should be borne in mind, however, that public funds are being spent and that only a reasonable level of expense is warranted. Except as otherwise set forth in an applicable Memorandum of Understanding with a District employee association, all reimbursements of travel expenses are subject to the following limits:

(a) Lodging shall be obtained at government or group rates, when available. For conferences and organized educational activities, lodging costs shall not exceed the maximum group rate published by the sponsor of the conference or activity. If there is no government or

group rate available, then lodging expenditures will be subject to the limitations of Section 6321(c)

(b) Transportation costs and costs associated with transportation will be reimbursed according to the requirements of Section 6326.

(c) Reimbursement to directors for meals, lodging, and other actual and necessary expenses (excluding costs described in Section 6321(a) or 6321 (b)) shall not exceed \$850 per day.

Section 435.2 - M.I. 33162 - March 11, 1980. Section 435.2 repealed and Section 6321 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39019 - June 11, 1991; Section renamed and opening paragraph amended, paragraphs (a), (b) and (c) added by M. I. 46449 - November 8, 2005.

§ 6322. Supervision.

As circumstances vary considerably in those instances where directors and employees must incur expenses, care by those incurring expenses, and supervision by those approving expense accounts are the most effective controls over expenditures. When expenses that might be regarded as out of the ordinary are foreseen, the approving officer's instructions should be sought beforehand.

Section 435.3 - M.I. 33162 - March 11, 1980. Section 435.3 repealed and Section 6322 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6323. Definitions.

(a) "Employee" shall mean directors and employees unless specifically stated otherwise. Employees within a bargaining unit which has a Memorandum of Understanding with the District shall be governed by its provisions to the extent it provides for reimbursement of expenses or per diem. Where authorization for an employee to travel is required from a "Department Head or group manager," the term shall mean the positions so identified by the organizational chart contained in the most recent annual District budget adopted by the Board. In the case of a director, the terms shall be deemed to mean the Chairman of the Board.

(b) "Travel" shall mean attendance at meetings, conferences, or other functions on District business at other than the employee's headquarters or temporary headquarters or, in the case of directors, their residences or places of business, whichever is applicable. Employees shall not be in travel status to the extent that they travel to perform job assignments related to District facilities within designated service or maintenance areas unless it is overnight. A specific headquarters shall be designated for each employee.

(c) "Overnight travel" shall mean travel which prevents employees from spending their usual sleeping hours at their residences.

(d) "Temporary headquarters" shall mean District facilities other than their regular headquarters where employees are instructed by their immediate supervisors to report on a temporary basis.

(e) "Business meal" shall be one in which employees provide non-employees and themselves meals and beverages ordinarily associated with normal eating customs under circumstances which are generally considered to be conducive to furthering the business of the District. A "business meal" unless otherwise justified does not include a meal furnished by an employee to someone in expectation that another meal will be furnished to the employee or in repayment of one previously furnished. A "business meal" shall also include employees' meals at business meetings away from a District facility with non-employees who pay for their own meals, or at a business program sponsored by a business or professional association where the subject matter of the discussion is of importance to the District. Employees (not including directors) ordinarily may not themselves partake in, or provide for others, business meals without prior authorization by their group, assistant group or section manager provided, however, whenever an employee who customarily performs District job assignments at a specific location, or locations, is required to be at a substantial distance from that location on District business during a period when a meal is usually partaken, the employee shall be reimbursed by the District for the expense of meals partaken at such other locations. In addition to the above, a Department Head may authorize meals for employees under special circumstances.

Section 435.4 - M.I. 33162 - March 11, 1980. Section 435.4 repealed and Section 6323 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (e) amended by M. I. 45943 – October 12, 2004.

§ 6324. Authorization for Domestic Travel.

(a) Directors

(1) Directors are authorized to travel anywhere within the States of Arizona, California and Nevada on District business.

(2) Other domestic travel on District business by directors shall be undertaken only with the prior approval of the Chair of the Board or, on the Chair's referral, the Executive Committee. In considering whether to give such approval, the criteria set out in Section 6320 shall be applied. The Chair, or the Board Executive Secretary acting at the Chair's direction, shall advise the director in writing in advance that the travel is authorized.

(3) Where a director expects to be absent from the State for personal reasons for more than 60 days, that director shall, in advance of departure, request approval from the Board in order to comply with Government Code Section 1062.

(b) Employees

(1) Employees if authorized by their supervisors may travel anywhere within Southern California (including Bakersfield) to carry out their job assignments.

(2) Group managers are authorized, and may authorize their staff, to travel anywhere within the United States to carry out a job assignment.

Section 435.5 - M.I. 33162 - March 11, 1980; amended by M.I. 33332 - July 8, 1980; amended by M.I. 33823 - July 14, 1981; amended and paragraph (a)(3) [formerly Section 435.5.1.3] added by M.I. 34627 - March 8, 1983; paragraph (b)(2) [formerly 435.5.2.2] amended by M.I. 34671 - April 12, 1983. Section 435.5 repealed and Section 6324 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 38471 - September 11, 1990; paragraph (a)(2) amended by M.I. 39019 - June 11, 1991; paragraph (b)(2) amended by M.I. 39314 - November 19, 1991; paragraph (b)(2) amended and paragraph (b)(3) repealed by M.I. 41774 - February 13, 1996; paragraph (b)(2) amended by M.I. 41804 - March 12, 1996; paragraphs (b)(1) and (b)(2) amended by M. I. 45943 - October 12, 2004.

§ 6325. Authorization for International Travel.

(a) The General Manager is authorized to approve travel of District personnel to foreign countries, when necessary as an incident to the evaluation of bids or the administration of contracts, and for participation in conferences, inspection trips, meetings or exchanges of potential benefit to the District. The General Manager shall report all international travel approved pursuant to this section to the Chair of the Board in advance of such travel being taken, together with a written justification for the travel pursuant to the criteria set forth in subpart (c).

(b) All requests for international travel by directors or Department Heads shall be submitted to the Chair of the Board in advance of the travel date for participation in conferences, inspection trips, meetings or exchanges of potential benefit to the District. The Chair of the Board shall authorize the international travel when appropriate pursuant to the criteria set forth in subpart (c). The Chair or the Board Executive Secretary acting at the Chair's direction shall, in advance of such participation, advise, in writing, any director whose participation is authorized.

(c) The Chair, in approving international travel by a director or Department Head, and the General Manager, in approving international travel by a member of the staff, shall consider, among others, the following criteria:

(1) Whether significant personal contacts of direct and significant benefit in the conduct of the District's affairs will be made as the result of such participation;

(2) Whether technical or administrative information to be gained by participation will be of direct and significant benefit in the conduct of the District's affairs;

(3) Whether the cost of participation, including both travel costs and time taken from other District assignments, is warranted by the anticipated benefits to be gained by the District through new knowledge, contacts, or technology; and

(4) Whether dissemination of information about the District to the target audience will significantly contribute to the protection of the District's rights and properties.

(d) The Chair of the Board shall report quarterly to the Executive Committee on all international travel which has been approved pursuant to this section for directors, Department Heads, and staff members.

M.I. 38471 - September 11, 1990; paragraph (b) amended by M.I. 39019 - June 11, 1991; paragraphs (a) & (b) amended and paragraphs (c) and (d) added by M.I. 42559 - August 19, 1997.

§ 6326. Authorized Expenses.

(a) Transportation Costs and Costs Associated with Transportation. - Authorized transportation expenses may include common carrier fares, rental of automobiles, parking fees, and use of personal automobiles at the standard mileage rate provided for in any applicable memorandum of understanding. If no memorandum of understanding is applicable, the rate shall be the standard mileage rate permitted at the time by the Internal Revenue Service in computing a deduction for business mileage; provided, however, that for employees in the classifications listed in Section 6500, mileage for use of personal automobiles on District business shall be reimbursed only as provided in the Operating Policy then in effect which sets forth the vehicle allowances and related benefits for such employees.

(b) Overnight Travel. - In addition to those expenses described in Section 6326(a), authorized expenses while traveling overnight on District business also may include reasonable telephone calls to the employee's family, meals, lodging, baggage handling, tips, and any other reasonable incidental expenses of the trip which are business related rather than personal in nature. If a family member should accompany an employee, subject to the requirements of Section 6321, lodging expense may only be reimbursed at the applicable rate for a single room to be occupied by only one person. Travel costs, meals and all other incidental expenses for a family member are not authorized unless approved in advance in writing by the Department Head or the Executive Committee after a determination has been made that the family member's participation is appropriate.

Subject to the requirements of Section 6321(c), the District shall pay lodging, meal and other reasonable incidental expenses incurred at the destination required for business purposes when travel is extended for a time beyond what is normally required for such purposes (i.e., over a weekend), if the extension of time reduces the transportation costs that would otherwise have been incurred, thereby resulting in a net cost savings overall. Whenever such situations occur, they shall be fully described on the expense claim form subsequently prepared to document the travel activity. Notwithstanding the foregoing, the District shall not pay for transportation costs other than to and from the destination required for business purposes.

(c) Business Meal. - Business meal expenses may include the cost of meals and beverages ordinarily associated with normal eating customs. An adequate description of the purpose of the meal and the names of guests and their affiliations shall be provided whenever claiming reimbursement for business meals which include one or more guests.

A meal furnished to a fellow employee will only be reimbursed if: (a) both would be entitled to reimbursement; (b) if the meal is in connection with a business discussion with a non-employee; or (c) while both employees are in overnight travel status.

An employee while in overnight status who provides a business meal at a hotel, where the employee is staying on District business, or at a restaurant, when the bill is directly forwarded to the District for payment, must indicate on the employee's expense account who the guest was and the business reason for the expense.

(d) Transportation. - The type of transportation employed shall be selected on the basis of the lowest overall cost to the District after all costs are considered, including the travel time and the salary of the employee; provided, however, that travel by common carrier bus shall not be required.

Trips which require travel in excess of 200 miles one way shall be made by commercial airline unless the circumstances dictate otherwise. Reimbursements for any transportation costs for trips over 200 miles one way by any form of transportation shall generally not exceed the standard round-trip airline coach airfare in effect at the time, as established by the Manager, Contracting Services, plus any personal auto mileage and airport parking that would have been incurred and reimbursable if airline transportation had been used. In lieu of this, if a person is authorized to obtain their own ticket for a trip on a commercial airline, that person can receive the amount of the standard round-trip airline coach airfare in effect at the time, as established by the Manager, Contracting Services, plus any personal auto mileage and airport parking costs incurred.

Whenever practicable, all air travel ticketing shall be made by the Manager, Contracting Services upon receipt of a written request approved in accordance with Section 6324. Directors' travel requests shall be coordinated through the office of the Board Executive Secretary. Determination of the standard round-trip coach airfare, for purposes of establishing a reimbursement limit on optional forms of travel, shall be made in advance whenever practicable. All airline travel shall only be by airplane coach or economy class except: (1) when the Manager, Contracting Services finds that coach or economy seats are unavailable at the time of ticketing, or (2) where the Department Head or the Board's Chair finds that some physical problem, essential business, or exceptional circumstance warrants travel in a higher class. An employee who obtains airline tickets from the Manager, Contracting Services for the purpose of combining personal travel with District travel, or for travel with a family member, shall prior to receipt of such ticket, either make payment for the portion of cost attributable to personal travel or to the family member's travel, or agree in writing to reimburse the District for such cost not later than the date of travel.

(e) The expenses of a director's spouse who accompanies the director on District business shall not be borne by the District or reimbursable to a director unless specifically authorized in writing by the Chair of the Board (or Executive Committee) in advance as an expense necessary for the proper representation of the District. Such reimbursements shall be reported as income of the recipient, as required under applicable tax law.

(f) The expenses of an employee shall not be reimbursed by the District to the extent that they are reimbursed by another party.

Section 435.6 - M.I. 33162 - March 11, 1980; paragraph (a) [formerly 435.6.1] amended by M.I. 33332 - July 8, 1980; paragraph (a) amended by M.I. 33823 - July 14, 1981. Section 435.6 repealed and Section 6325 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (e) added by M.I. 36745 - August 18, 1987; amended by M.I. 37492 - January 10, 1989; paragraph (f) added by M.I. 37571 - March 14, 1989; renumbered to Section 6326 by M.I. 38471 - September 11, 1990; paragraph (a) amended by M.I. 38460 - September 11, 1990; paragraphs (a), (b), (c), (d) and (e) amended by M.I. 39019 - June 11, 1991; paragraph (e) amended by M.I. 40727 - March 8, 1994; paragraph (d) amended by M.I. 41652 - November 14, 1995; paragraph (a) amended by M.I. 43023 - June 9, 1998; paragraphs (a) and (b) amended by M. I. 46449 - November 8, 2005; paragraph (d) amended by M. I. 46838 - October 10, 2006.

§ 6327. Route and Mode of Travel.

(a) Travel must be by the most direct route, considering the mode of transportation used. Additional expense resulting from travel by an indirect route for the personal interest of the employee is not chargeable to the District, but is to be reported on claims for reimbursement and identified as chargeable to the employee.

(b) The department head or group manager shall reject or reduce claims for reimbursement of expenses resulting from unauthorized travel or inappropriate selection by the employee of class of transportation, lodging, or meals.

(c) Department heads, assistant department heads, group, assistant group, and section managers are authorized and may authorize other employees to approve transportation orders to check out pool cars from the Los Angeles headquarters garage. Directors requiring the use of District vehicles shall place their requests through the General Manager.

Section 435.7 - M.I. 33162 - March 11, 1980. Section 435.7 repealed and Section 6326 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6327 by M.I. 38471 - September 11, 1990; paragraphs (b) and (c) amended by M. I. 45943 - October 12, 2004.

§ 6328. Other Expenses.

Expenses not otherwise covered by these regulations and not exceeding \$100 may be approved by the group manager if consistent with the requirements of Sections 6320 and 6321. Those in excess of \$100 shall be approved by the department head.

Section 435.8 - M.I. 33162 - March 11, 1980. Section 435.8 repealed and Section 6327 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6328 by M.I. 38471 - September 11, 1990; amended by M. I. 45943 - October 12, 2004.

§ 6329. Funds.

(a) Employees on travel status are expected to provide themselves with sufficient funds to cover all out-of-pocket expenses, which will be reimbursed by the District if appropriate.

(b) If necessary, funds will be advanced to employees to be on travel status on a temporary basis upon the employee's request and in accordance with procedures established by the Controller.

Section 435.9.2 - M.I. 33162 - March 11, 1980. Section 435.9.2 repealed and Section 6329 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6330 by M.I. 38471 - September 11, 1990. Renumbered to Section 6329 and paragraph (c) added by M.I. - March 12, 1996. [Previous Section 6329: Section 435.9.1 - M.I. 33162 - March 11, 1980; paragraph (a) [formerly 435.9.1.1] amended by M.I. 34298 - July 13, 1982; paragraph (a) amended by M.I. 35433 - December 11, 1984. Section 435.9.1 repealed and Section 6328 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6329 by M.I. 38471 - September 11, 1990; paragraphs (a), (c) and (c)(1) through (c)(4) amended and paragraph (c)(5) added by M.I. 39019 - June 11, 1991; paragraph (a) amended by M.I. 39358 - December 10, 1991; paragraph (c)(1) amended by M.I. 39359 - December 10, 1991; paragraph (c)(5) amended by M.I. 40976 - August 19, 1994; paragraph (a) amended by M.I. 41652 - November 14, 1995; deleted by M.I. 41815 - March 12, 1996]; paragraph (b) amended by M. I. 45943 – October 12, 2004; paragraph (b) amended and paragraph (c) deleted by M. I. 46449 – November 8, 2005.

§ 6330. Lobbying.

Directors or employees incurring expenses on behalf of Metropolitan to influence state legislative or administrative action shall separate such items on their expense account from other expenses and identify the action, the purpose of the expenditures, the name of the beneficiary of the expenditure, if other than the employee or payee, and the state agency, if any, and name of official involved and shall assign expenses incurred to the appropriate chart of accounts flex fields for lobbying. The General Counsel shall provide specific guidance to directors and employees concerning the reporting of lobbying expenses.

Section 435.11 - M.I. 33162 - March 11, 1980. Section 435.11 repealed and Section 6331 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6332 by M.I. 38471 - September 11, 1990; renumbered to Section 6330 and amended by M.I. - March 12, 1996. [Previous Section 6332 - Section 435.10 - M.I. 33162 - March 11, 1980. Section 435.10 repealed and Section 6330 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6331 by M.I. 38471 - September 11, 1990; paragraph (b) amended by M.I. 39019 - June 11, 1991; paragraph (b) amended by M.I. 40976 - August 19, 1994; deleted by M.I. 41815 - March 12, 1996]

§ 6331. Preparation, Approval and Processing of Claims.

(a) Expense reports shall be prepared and approved using a standard District form for such purpose.

(b) Expense accounts shall be prepared and submitted by directors and employees under the following circumstances in accordance with the schedules outlined herein:

(1) Directors and employees who incur expenses on behalf of the District, or who travel on or engage in District business which requires the expenditure of funds on their behalf, shall prepare an expense claim form to document the purposes and costs of such activities, even if no reimbursement is being requested. Notwithstanding the foregoing, no expense report need be prepared by a director or employee for a function and/or meals sponsored by the District other than for personal expenses charged to the District which must be reimbursed to the District, or for travel or miscellaneous expenses incident thereto which the directors or employee paid and which are reimbursable to said director or employee. As used herein, the term “District sponsored” includes, but is not limited to, meals provided at District facilities, tours for or sponsored by directors, off-site Board workshops, and such other events as may be designated in advance by the Chair of the Board or the General Manager.

(2) Directors' expense claims shall be submitted to the Board Executive Secretary's office no later than the end of the month following the month in which the director incurred the expenses or participated in an activity for which District funds were utilized on the director's behalf. Directors' expense claims that are solely for reimbursement of mileage expenses for use of personal automobiles on District business shall be submitted to the Board Executive Secretary's office no later than the end of the month following the calendar quarter in which the director incurred the expenses.

(3) Employees' expense claims, approved in accordance with the provisions of this section, shall be submitted to the Office of the Chief Financial Officer no later than the end of the month following the month in which the employee incurred the expenses or participated in an activity for which District funds were utilized on the employee's behalf.

(4) In no event shall the District process claims by a director or employee for any expenses that he or she incurs on the District's behalf if the claim for reimbursement of such expenses is not submitted within 90 days after the expenses were incurred. Extensions of time may be granted by the Department Head in the case of employees, or by the Chair of the Board in the case of directors when the circumstances causing the delinquent filing are exceptional.

(5) Directors and employees who fail to provide a proper and timely accounting of any of their activities which have utilized District funds may be subject to recognition of taxable income on such amounts expended by the District on their behalf in accordance with applicable tax regulations.

(c) The expense reports of all directors shall be reviewed and approved by the Board Executive Secretary. Department Heads' expense reports shall be verified as accurate by their respective executive secretaries. The expense reports of assistant department heads and group managers shall be approved by their department heads. All other employee expense reports shall be approved by the employees' authorizing supervisors up through the group manager level, as applicable.

(d) All approved expense reports shall be submitted to the Controller's Section of the Office of the Chief Financial Officer for review, processing and, if appropriate, reimbursement of amounts due the claimants. Questions if any, on directors' claims shall be referred back to the Board Executive Secretary for resolution. Questions pertaining to employees' claims shall be referred back to the employees or their supervisors, as warranted. Unresolved disputes as to claims submitted by employees shall be forwarded by the Office of the Chief Financial Officer to the General Manager, who after conference with the employee may reduce or disallow any claim and the employee shall reimburse the District.

§ 6332. Audit.

(a) All expense reports submitted by directors, department heads other than the General Auditor, and all other employees are subject to audit by the General Auditor's office after they have been processed. The General Auditor's expense reports shall be subject to audit by the Chief Financial Officer.

(b) The General Auditor, or the Chief Financial Officer with regard to any such claim of the General Auditor, shall refer unusual or questionable claims of directors or Department Heads to the Chair of the Board of Directors for review and discussion with the claimant if necessary, except that the General Auditor shall refer any such claim made by the Chair of the Board of Directors to the Secretary of the Board of Directors for review and discussion with the claimant if necessary. If questions regarding the claim cannot be resolved with the claimant, the claim shall be referred to the Executive Committee and the claimant notified. The Executive Committee, after conference with the claimant, may reduce or disallow any claim and the claimant shall reimburse the District.

(c) Questionable claims of assistant department heads or group managers shall be referred by the General Auditor to the General Manager for resolution. Questionable claims of other employees shall be referred to the appropriate level of management or supervision for resolution. The General Manager, or his designee, in consultation with the General Counsel's office, shall have the authority to make final determinations on audit issues involving the expense reports of all employees below the level of department head.

M.I. 41815 - March 12, 1996; paragraphs (a), (b), and (c) amended by M.I. 43968 - April 11, 2000; paragraphs (b) and (c) amended by M. I. 44582 - August 20, 2001; paragraph (c) amended by M. I. 45943 - October 12, 2004; paragraph (b) amended by M. I. 46064 - January 11, 2005; paragraphs (b) and (c) amended by M. I. 46838 - October 10, 2006.