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| COUNTY OF VENTURA | 2005 ADMINISTRATIVE POLICY MANUAL | | FINANCIAL MANAGEMENT CHAPTER VII (C) Employees' County Business Expenses |
| Originating Agency: A-C | Last Issued | Revised | <u>Policy No. Chapter VII (C) -1</u> |
| Policy: CEO | 2009 | Jan 2013 (Rev) | REIMBURSEMENT OF EMPLOYEES COUNTY BUSINESS EXPENSES |
| Procedure: A-C | 2009 | 2012 | |
| Forms (if any): N/A | N/A | N/A | |
| Policy Change Requires: | <input type="checkbox"/> CEO Consultation with Board of Supervisors <input checked="" type="checkbox"/> CEO Approval | | |
| Procedure/Forms Change Requires: | <input checked="" type="checkbox"/> CEO Approval | | |

POLICY

The County will only reimburse employees, for actual, reasonable and necessary expenses incurred in the performance of official duties for the benefit of the County. If an officer or employee is uncertain as to whether an expense qualifies as reasonable and necessary, advance clarification should be obtained from the Auditor-Controller's Office. Due to IRS regulations, reimbursement of certain meal expenses not associated with overnight travel must be treated and reported as taxable income to the employee. (See Item 19, Meals.)

Members of the Board of Supervisors and all members of County boards, committees and commissions that are legislative bodies as defined in the Brown Act must also comply with the policy set forth in this Manual under Chapter VII (C) –2 "Expense Reimbursement and Ethics Training for All County Boards, Committees and Commissions". All elected officials must comply with the provisions of that policy addressing ethics training. Should there be a conflict between this policy and the aforementioned policy, then Chapter VII (C) – 2 will control for members of the Board and all members of County boards, committees and commissions.

All County expense claims that require prior Board approval must receive Board authorization in advance.

DEFINITIONS AND EXAMPLES:

1. "Reasonable" means that the expenditure was for an amount normally to be expected. As an example, the County will not pay for first class plane fare if suitable accommodations are available at a lower rate. The use of governmental or group rates for transportation and lodging should always be requested and used when available. Meal and lodging costs will and are expected to vary depending on the areas involved and continue to be subject to periodic review by the Agency/Department Head for reasonableness.
2. "Necessary" means that there was a clear nexus, or connection, between incurring the expense and the performance of official duties.

- A. There is no problem in determining if expenses are necessary when they are incurred in connection with an out-of-county trip. The purpose of the trip is usually quite clearly defined and, therefore, identifiable as County business. The expense of getting to and from the destination and the length of time outside the County determines what travel and meal expenses are "necessary."
 - B. On the other hand, the fact that dinners or other forms of expenses may make meetings more pleasant or facilitate the proceedings is not an adequate reason to convert the expense into a necessary expense. See Item 19, Meals.
3. "Performance of Official Duties" means activities directly related to the legal functions of Ventura County Government. To be eligible for reimbursement, the claimant's job responsibilities must be directly and significantly involved with the subject matter of the claim. For questions about what constitutes performance of official duties, consult with the Auditor-Controller who will coordinate with County Counsel when necessary.
4. "Authorized Personnel" eligible for reimbursement of expenses incurred for the County are:
- A. Officers and employees of the County.
 - B. Board designated members of commissions and advisory boards of the County including any County employee performing duties related to the commission or board.
 - C. Individuals performing volunteer services for the County as designated by the Board of Supervisors or by a member of the Executive Committee for Board approved programs.
 - D. Non-County employees who have been designated by the Human Resources Director to assist in employment selection interviews.
 - E. Professional independent contractors in the medical, legal, religious, educational, engineering, administrative, accounting or information services professions for activities not specifically stated in the contract, but related to the contract, with the approval of the sponsoring Executive Committee member.
5. "Allowable Expenses" include expenditures incurred while traveling or otherwise directly related to the performance of official duties including, but not limited to, items such as:
- A. Transportation cost
 - B. Lodging
 - C. Meals (Reimbursement may be taxable, See Item 19, Meals.)
 - D. Tuition
 - E. Registration fees
 - F. Portage
 - G. Parking
 - H. Business telephone calls
 - I. High-speed DSL installation and recurring monthly fees for officers and employees of the County when directed and justified by Agency/Department Head with CEO approval.
 - J. Other items necessary to such travel or to the performance of official duties.

6. "Expenses Not Reimbursed by the County" include but are not limited to, items such as:
- A. Airline or other travel insurance.
 - B. Annual premiums for personal property insurance.
 - C. Barbers and hairdressers.
 - D. Suitcases or other luggage purchased for traveling.
 - E. Personal telephone calls except where authorized.
 - F. Traffic and parking violations.
 - G. Doctor bills, prescriptions, or other medical services.
 - H. Alcoholic beverages.
 - I. Fees, service charges, interest, etc., related to personal credit cards even if they are used exclusively in the performance of official duties.
 - J. Travel from home to the normal work site on holidays, weekends, and other scheduled days off.
 - K. Greeting cards and personal stationery.
7. "Overtime worked" for non-exempt employees under FLSA will only be compensated if attendance at conferences and seminars is required by the appointing authority. Overtime worked for exempt employees under the circumstances described below are not compensable hours under FLSA even though they may receive overtime compensation under the terms of a Memorandum of Agreement.
- A. Travel Time - While on travel status, the officer or employee will be paid as if working normal hours at his/her regular place of work.
 - 1. Travel time from home to work is not counted as hours worked.
 - 2. Travel time will be counted as hours worked in special assignments outside Ventura County, except that ordinary "commute time" from home to regular job site will be deducted.
 - B. Conferences and Meetings - Time devoted to meetings, conferences, classes, etc., in excess of normal working hours is counted as hours worked. This policy does not include courses/classes, etc., that are a part of an employee's election for career advancement through Textbook/ and Tuition Reimbursement programs.

If an employee is attending a meeting, conference, etc., at the specific request of his/her superior, the presumption is that the activity is related to the performance of official duties and fully reimbursable. However, if an employee so requests, the agency/department head may authorize travel for performance of official duties on a "salary only" basis. "Salary only" means that the employee shall receive the salary while traveling for the performance of official duties but shall receive no other reimbursement for such travel or related expenses.
8. "Executive Committee" as used in this policy, includes agency/department heads of the following:

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| Board of Supervisors (5) | Dept of Child Support Services | Public Defender |
| Assessor | District Attorney | Public Works Agency |
| Auditor-Controller | Farm Advisor | Resource Management Agency |
| Agricultural Department | Fire Protection District | Sheriff's Department |
| Area Agency on Aging | General Services Agency | Treasurer/Tax Collector |
| County Clerk-Recorder | Harbor Department | Ventura County Library |
| County Counsel | Health Care Agency | Ventura County Probation |
| County Executive Office | Human Services Agency | |
| Department of Airports | Information Technology Services | |

EXPENSE CLAIMS

9. Justification for reimbursement must include adequate information to justify payment, including:
 - A. The date and location;
 - B. Identification and cost of the various items, involved, i.e., meals, plane fare, parking, etc;
 - C. The specific County business involved and exact purpose of the expenditures;
 - D. The individuals involved and their relationship to the matter at hand. If the expense includes meals or travel costs for other County employees, a listing of these employees should be provided. If the claim includes expenses for a non-County employee, the claim should contain an explicit explanation as to why the non-County employee's expenses should be funded by the County, (also see Section 28) and;
 - E. Such additional explanation as would serve to substantiate the claim.
 - F. Information confirming overnight stay was associated with a meal in order to determine if a meal reimbursement is to be reported as taxable income. (See Item 19, Meals.)

10. Claim approval is required by the responsible Executive Committee member before it is submitted to the Auditor-Controller's Office for review and payment. This approval certifies that the claimed amount is correct and the expense is reasonable, necessary, and incurred in the performance of official duties. While signatory authority for claims can be delegated, the approving Executive Committee member is personally responsible for the accuracy of the claim. The fact that authority has been delegated to another in no way relieves the official of responsibility to ensure that all claims are reviewed and verified. The Auditor-Controller's Office makes payment in reliance on the certification of the County officer.

For Elected Officials, attendance at non-County functions or activities is generally presumed to be non-County business unless County benefit can be clearly identified.

The Auditor-Controller's Office performs a general review primarily to determine that the amount and items are reasonable compared with pre-established norms. If there are any unresolved questions, the Auditor will return the claim to the approving authority for further justification or correction. If the Auditor-Controller's Office finds that the resubmitted claim is greater in amount than is justly due or is not a proper County charge, the amount will be adjusted or the claim will be rejected. Procedures prescribed in Government Code Sections 29743 through 29746 will be used as appropriate.

11. Supporting Documentation generally should be the actual invoices, receipts, sales slips, passenger coupons, hotel bills, etc. Each instance of expense for non-County employees will be detailed to insure the County and the respective tax authorities' requirements for explanation are met.
12. Frequency of Submitting Expense Claims is at least once each accounting period. If a trip or activity falls in two accounting periods, the expense may be delayed until the end of the trip or activity. All claims are to be submitted within 12 months of incurring the expense. Claims submitted after 12 months of the expense must have Executive Department Head approval.
13. Record Retention for the County is the responsibility of each County organization. The supporting documentation is to be retained by the employee's agency/department and not sent to the Auditor-Controller's Office. Each individual should retain adequate records for his/her income tax purposes. Board members and members of other County legislative bodies should see Chapter VII (C) –2 "Expense Reimbursement and Ethics Training for All County Boards, Committees and Commission", for details on the special supporting documentation requirements that apply to them.
14. Credit Cards – The Auditor-Controller may authorize issuance of a County credit card to County officers, employees, or departments when it is determined to benefit the County. The Auditor-Controller will prescribe the terms and conditions governing the use of these credit cards.

Travel credit cards are available for employee travel and can be used for airfare, lodging, on-ground transportation, conferences, meals not reportable as taxable income to the employee and other incidental expenses. The credit cards can be issued in either department names for employees who travel infrequently, or employee names for frequent travelers. Details regarding use of these credit cards are provided in the Travel Credit Card, Cardholder instructions.

15. Travel Advances - Advances are no longer available (see Section 14 above).
16. Procurement Card - Procurement cards are issued through GSA Procurement Services for purchases of \$1,000 or less. Details regarding use of these cards are provided in the Procurement Bank Card Procedures.
17. Transportation - When on travel status, officers and employees should utilize the least expensive mode of transportation consistent with time requirements and work schedules. An exception to this policy will be made for those individuals under a physician's instructions who require special accommodations.
 - A. Air Travel should be by coach/tourist/economy class if available. If the flight is more than two hours, business class is permitted.
 - B. Private/Chartered Aircraft (i.e., non-scheduled flights) are a permitted mode of travel on County business only in emergency situations or where alternative solutions are not feasible or when such mode of travel provides substantial benefit to the County. For private aircraft, reimbursement will be based on the lower of scheduled airline rates or the County's private vehicle mileage reimbursement. Chartered aircraft will be reimbursed at actual

cost. Cost savings, time savings or employee schedule constraints alone are not sufficient benefit or justification for the use of charter or private aircraft. Except in the event of an emergency, approval by the County Executive Office must be received prior to traveling on a chartered or private aircraft. The County Executive Office has the responsibility to determine whether a particular situation qualifies based on:

1. The nature of the emergency,
2. Necessity and reasonableness and benefit to the County,
3. Flexibility of schedules involved,
4. Alternate modes of transportation available to the specific location, and
5. The number of people involved.

Elected officials are responsible for determining the appropriateness of such travel for themselves and their staff based on the criteria given above.

Written approval of the County Executive Officer or other appropriate official must be attached to claims for use of private or chartered aircraft.

Decisions regarding witness and prisoner transportation are the responsibility of the appropriate Executive Committee member.

Travel by private aircraft piloted by a County employee may be authorized by the Chief Executive Officer or other appropriate official where all the following conditions are met:

1. The pilot is a listed pilot on the County's aviation liability insurance policy, as approved and verified by Risk Management;
2. The pilot has in force aircraft liability insurance coverage with limits of liability of at least \$1,000,000 per event, naming the County of Ventura as an additional insured, with evidence of coverage provided with the written request for approval to fly;
3. The pilot must hold the appropriate airman's certification, possess a current medical certificate and an instrument rating all issued in accordance with Federal Aviation Administration Regulations and applicable to the category and class of aircraft to be flown and the type of flying to be performed, and must have a minimum of 250 hours logged flight time in the applicable class of aircraft;
4. The aircraft must have all applicable airworthy certificates and be current on all maintenance and required Federal Aviation Administration inspections and operated in a manner consistent with these regulations.

C. Rail Travel - First class accommodations will be allowed when traveling by rail.

D. Car Rentals, Taxis and Other Local Transportation - The use of a rented car must be justifiable and not a matter of personal convenience. Renters should select the most economical vehicle meeting their business needs.

Agencies and departments must first use those vendors with which the County has established price agreements or contracts. Vendor information may be obtained from the

General Services Agency/Procurement Services by phone (654-3750) or from the Procurement Services Intranet website.

If/when no such contracts are available, renters should always inquire with the rental company about any available governmental or business use discounts when making reservations.

When renting a vehicle, the collision damage protection (usually stated as "waiver" of CWD) must be declined, unless it is included in the Procurement Services supported price agreements or contracts.

The cost of taxis, shuttles or carfare to and from places of business, hotels, airports, or railroad stations in connection with business activities will be reimbursed. Use of taxis is permitted only when suitable, more economical services are not reasonably available.

E. Private Vehicle - Mileage reimbursement will be at the current IRS approved rate. Mileage will be calculated as follows:

1. Normal commute (mileage from home to normal work site and back to the employee's home) is not deemed to be miles subject to reimbursement.
2. Mileage will be reimbursed for miles driven while on County business.
3. County business travel originating from an employee's home (without going to the normal work site) shall be computed based on the total round trip mileage.
4. County business travel originating from and/or terminating at the employee's home, where some part of the travel includes travel to the normal work site, will be computed based on the total round trip mileage, less half the round trip mileage of an employee's normal commute.

While operating a private vehicle on County business, individuals must maintain a record of mileage driven on a monthly basis. Mileage reported on a trip basis must be claimed within 10 working days after returning. A copy of the mileage claimed, recorded on a "Trip Log" form, must be attached to the claim and to the copy of the claim, which is retained by the agency or department. Claims for reimbursement of mileage should include the purpose for each trip in which County business was conducted. Mileage is reviewed for the reasonable number of miles claimed, as well as the correct rate of reimbursement.

See also the policy on the "Assignment and Use of County Vehicles" (Chapter III, Policy No. 1).

18. Lodging - The County will pay actual room rental costs for each day that lodging away from home is required for business reasons. Whenever practical, individuals are expected to use good quality but reasonably priced hotels/motels. Most hotels/motels give a discount to governmental employees which should be requested when making reservations or registering. Employees should also inquire about transient occupancy tax (bed tax) exemption.
19. Meals - The County will reimburse appropriate meal expenses that are associated with overnight County business travel or are a necessary and ordinary expense of conducting County business

based on the following chart. The listed amounts include Tax and 15% maximum tip (unless percentage of gratuity is set by the establishment on the meal receipt). Itemized receipts are required unless the per diem reimbursement method applies and is utilized by the employee.

| | Within California (Receipts Required) | Out-of- State (Receipts Required) | Per Day (Per Diem) (No Receipts Required)* |
|-----------|------------------------------------------|--------------------------------------|-----------------------------------------------|
| Breakfast | \$13.00 | \$15.00 | |
| Lunch | \$18.00 | \$21.00 | (Total Per Day) |
| Dinner | \$35.00 | \$40.00 | \$45.00 |

Note: Members of the Board of Supervisors and members of all County boards, committees and commissions are not eligible for the per diem rate.

Meals Associated With Overnight County Business Travel.

All meals associated with overnight County business travel are reimbursable and are not reportable as income to the employee. Employees on such overnight travel may opt for a per day (per diem) reimbursement with no receipts required in the amount of \$45. This per diem is also available for the first or last day of such overnight travel provided the travel time for such first and last day exceeds 12 hours. If a luncheon or dinner meal is included in the cost of the seminar, conference or meeting the per diem option will not apply for that particular day. If a complimentary, limited item breakfast bar is included with the cost of lodging the per diem or actual reimbursement is still available. If an employee chooses the per diem option, the per diem amount will be paid after the employee returns from the trip. Advances will not be authorized and the per diem cannot be used in conjunction with the Travel Credit Card.

The current per diem rate was established using the Hi-Low method IRS approved rate as of January 1, 2009 and this methodology can only change on a calendar year basis. The current rate is subject to change by the CEO.

Meals Not Associated with Overnight County Business Travel.

Meals not associated with Overnight County Business Travel are generally not reimbursable except as listed below. Claims for reimbursement of meals not associated with Overnight County Business Travel must clearly state the nature of the business conducted to support verification they meet the listed exceptions. Duties that require travel away from the general area of your work home for the day, except as listed below, are not reimbursable. As indicated, certain reimbursements listed below must be reported as income to the employee.

Reimbursable, Non-Overnight Travel Meals Which Are Not Reportable As Income To Employee:

- Meals that are an integral part of a conference or meeting, i.e., meal is consumed while meeting or included in the cost of the conference.
- Non-routine meals or refreshments which are provided as an integral part of on-site or offsite meeting and approved by an Executive Committee member.