STOCKTON EAST WATER DISTRICT
Policy Manual

No. 6015 Expense Reimbursement

ADOPTED: August 25, 2015

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A. Purpose and Scope

The purpose of this policy is to prescribe the manner in which District employees and directors may be reimbursed for expenditures related to District business. The District Employees and Directors shall adhere to the *Ethical Guidelines* adopted by the SEWD Board of Directors when dealing with issues of reimbursement.

This policy applies to all employees and members of the Board of Directors, and its provisions regarding expense reimbursement are intended to result in no personal gain or loss to an employee or director.

Whenever District employees or directors desire to be reimbursed for out-of pocket expenses for item(s) or service(s) appropriately relating to District business, they shall submit their requests on a *travel/expense report form* approved by the General Manager. Included on the expense report form will be an explanation of the District-related purpose for the expenditure(s), and receipts evidencing each expense shall be attached.

The Finance Director or the General Manager will review and approve expense reports. Expense reports by the Finance Director will be reviewed and approved by the General Manager. Expense reports by the General Manager will be reviewed and approved by the Finance Director.

B. Expense Reimbursement

District employees and directors are eligible to receive reimbursements for travel, meals, lodging, and other reasonable and necessary expenses for attending the above occurrences on behalf of the District. In addition, District employees are eligible to receive reimbursements for expenses incurred during attendance at trade/position-specific training. Reimbursement rates shall consist of actual costs or in accordance with IRS Publication 463 (Table A).

The following items are ineligible for reimbursement under this policy:

1. Personal expenses such as in-room movies, personal phone calls or alcoholic

beverages.

2. Expenses associated with non-District employees or directors, such as spouse expenses.

Any and all expenses that do not fall within this adopted reimbursement policy or the IRS reimbursable rates are required to be approved by the Board of Directors in a public meeting prior to the expense(s) being incurred.

Expenses that do not adhere to this adopted reimbursement policy or the IRS reimbursable rates, and that do not receive prior approval from the Board of Directors in a public meeting prior to the expense being incurred shall not be eligible for reimbursement.

Lodging costs shall not exceed the actual maximum group rate published by the conference or activity sponsor.

Government or group rates offered by the provider of transportation or lodging shall be used when available.

Stockton East Water District shall provide expense report forms to employees and directors who incur reimbursable expenses on behalf of the District to document that their expenses adhere to this policy.

Receipts are required to be submitted in conjunction with all items listed on the expense report form. Expenses without receipts will not be reimbursed.

Expense reports shall be submitted within 30 business days.

Employees and directors requesting expense reimbursement shall submit expense reports to the District in compliance with the District's Purchasing Policy.

TABLE A

ELIGIBLE REIMBURSABLE EXPENSE	
Lodging (actual cost, including taxes and fees)	
Meals (actual cost, including gratuity)	
Meals (actual cost, including gratuity)	
Personal Vehicle Mileage	Per Current IRS Publication 463
Public Transportation (actual cost)	Per Current IRS Publication 463
Airfare (Coach or Economy only, actual cost)	Per Current IRS Publication 463

C. District Credit Cards

District issued credit cards may be used by staff for District purchases within the approved budget and other purchases allowed under this policy. Credit card use for purchases associated with District travel is limited to those expenses allowed under this Policy.

A Cardholder is the employee whose name is on the District credit card. The Cardholder is authorized to make purchases on behalf of the District, including for other staff. The General Manager must approve the request for a District credit card.

Use of District credit cards shall be restricted to District-related purchases only. The following is a list of common usage of District credit cards:

3. Books and subscriptions
4. Travel (including airline and hotel reservation)
5. Registration fees for conferences, seminars, and training
6. Reimbursable meal expenses
7. Miscellaneous items

The authorized purchase limit is $1,500 per single purchase with a total credit card limit of $1,500 or as determined by the General Manager.

An emergency is defined as staff needing to provide immediate attention in an effort to response to catastrophic situations. During an emergency, acquisition of goods and services should be made by credit card if existing vendor agreements cannot accommodate procurement needs.

District credit cards shall **not** be used for the following:

1. Personal expenditures, including expenses related to a guest/spouse who is accompanying the Cardholder while traveling on District business;
2. Entertainment of any kind, including the purchase of alcohol or tobacco;
3. Cash advances (including ATMs);
4. Goods or supplies purchased under contract, unless an emergency exception is granted;
5. Any purchase that exceeds the Cardholder's fiscal budget, unless approval is granted by the General Manager or Assistant General Manager;
6. Any purchase made without obtaining prior approval if such authorization is required;
7. Any purchase made with the intent of circumventing the District's credit card purchasing limits, including splitting a purchase in order to remain under the dollar limit, requires prior authorization before purchase.

All purchases made on the District credit card are the responsibility of the Cardholder. Unauthorized usage of District credit cards may result in the suspension of Cardholder privileges and disciplinary action up to and including termination of the Cardholder or designee(s).

The Cardholder must provide itemized documents to support *all* credit card transactions. In the event an itemized document is not available, the Cardholder must submit a written explanation describing the transaction in detail. The following are examples of appropriate itemized documents:

1. Itemized receipt for reimbursable meals
2. Flight schedule for airline tickets
3. Check-out invoice for hotel expenses
4. Program brochures for conferences, seminars, and training
5. Order for print-out for internet purchases
6. Itemized receipt or invoice for other appropriate expenses

Safeguard the District Credit Card

The Cardholder must secure the integrity of the District finances in the following ways:

1. Notify the General Manager in the event of a lost or stolen credit card
2. Destroy and discard expired credit cards
3. Return credit card upon separation from employment. No transactions are authorized after the date of separation. Any transactions made after separation of employment will be the financial responsibility of the Cardholder and invoiced
4. Resolve transaction disputes by following up with the vendor or bank on any erroneous charges, disputed items, or returns as soon as possible

Cardholders must provide all itemized documentation to Accounts Payable within 30 business days.

D. Petty Cash

One petty cash fund shall be maintained by the Finance Department with a maximum balance of $500.00. The petty cash fund shall be included in the District's annual independent accounting audit.

Petty cash **may** be advanced to, or reimburse District staff or Directors upon their request and the submission of a *petty cash request form* signed by their Supervisor or General Manager for the purpose of procuring item(s) or service(s) appropriately relating to District business pursuant to Board policy. As soon as possible after said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the District Financial Officer, and any remaining advanced funds shall be returned. The maximum petty cash advance, when available in the petty cash fund, shall be $75.00 unless specifically approved by signature of the General Manager.

No personal checks shall be cashed in the petty cash fund.

E. District Checking Account

A district checking account shall be maintained by the Finance Department with a maximum balance of $7,500.00. All checks issued from the District's checking account shall require dual

signatures. The checking account shall be included in the District's annual independent accounting audit.

District staff or Directors upon their request and the submission of a *check request form* signed by their Supervisor or General Manager and Finance Director can request a district issued check for the purpose of procuring item(s) or service(s) appropriately relating to District business pursuant to Board policy. As soon as possible after said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the District Financial Officer.

Whenever employees or Directors of the District incur "out-of-pocket" expenses for item(s) or service(s) in conformance with this Policy, as verified by valid receipts, said expended cash shall be reimbursed upon submission and approval of a check request or expense report. A District check will be issued in the name of the party requesting reimbursement. In those instances when a receipt is not obtainable, the requested reimbursement must be approved by the General Manager prior to remuneration.