



Policy 4.14

EFFECTIVE 27 MAY 25

REIMBURSEMENT OF DIRECTOR EXPENSES

SUPERSEDES 22 NOV 22

IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Reimburse Directors as provided in the Municipal Utility District Act, Public Utilities Code Section 11908.1, for reasonable, actual and necessary expenses that are incurred in the performance of duties authorized or requested by the Board.

Purpose and Scope

EBMUD reimburses Directors for reasonable, actual and necessary expenses incurred in the performance of duties authorized or requested by the Board. Each Director is encouraged to participate in outside activities and organizations that further the interests of the District. Expenses incurred by Directors in connection with such activities are reimbursable, when authorized in advance or subsequently approved by the Board President. Directors will not receive personal gain or incur personal loss for their activities.

Reimbursable Expenses

Directors are eligible for the reimbursement of expenses incurred in connection with attendance as a representative of the District at events such as conferences and association meetings. Reimbursable expenses include:

- Travel;
- Lodging;
- Meals;
- Technology Expenses; and
- Other related expenses incurred in the performance of official District business in accordance with the *Guidelines for Reimbursement of Board of Director Expenses*, attached to this policy.

Authorization of Reimbursement

Reimbursement of Director expenses must be approved as follows:

- The President of the Board of Directors will pre-authorize or approve Reimbursable Expenses incurred by fellow Directors.
- The Vice President of the Board of Directors will approve expenses incurred by the Board President, and in the President's absence, may approve expenses incurred by fellow Directors.
- In the absence of both the President and Vice President, the Immediate Past President who currently sits on the Board may also approve expenses incurred by fellow Directors, including the President and Vice President.
- Any expense that does not meet the criteria for reimbursement specified in this Policy must be approved by the Board in a public meeting before it is incurred.

- Under no circumstance may any Director be authorized to approve their own expenses.
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Rules Applicable to Reimbursable Expenses

The following rules apply to Reimbursable Expenses:

- Directors will exercise responsible fiscal management in incurring expenses as required by Policy 6.04, Ethics of the EBMUD Board of Directors. All expenses must be reasonable and necessary, and Directors will exercise prudence in all expenditures.
 - Reimbursable Expenses will be incurred and reimbursed in accordance with the *Guidelines for Reimbursement of Board of Director Expenses*, attached to this Policy.
 - Each Director must use government and group rates offered by a transportation or lodging provider, when available.
 - EBMUD does not provide credit cards to Directors. Upon incurring expenses, Directors will submit a reimbursement request, accompanied by evidence of payment of such expenses that will meet the District's requirements.
 - Each Director will be reimbursed for attendance at conferences as long as there are funds available in the Director's allotted travel budget for the fiscal year. The Board President has the authority to approve reimbursement for conference expenditures that may exceed the Director's allotted travel budget for the fiscal year, based on factors such as whether the Director has an official role at the conference (e.g., serving as a panelist), the Director's recent and planned budget utilization, and the status of the remaining travel budget for the Board.
 - Upon return from any conference attended on behalf of the District, a Director shall file with the Secretary of the District a written report on the Director's activities at the conference (e.g., what was learned at the conference that may be helpful to the Board or the District and what meetings or sessions the Director attended).
 - The Secretary shall send a copy of the report to the Board President.
 - A Director shall not be eligible for reimbursement until they have filed the report with the Secretary.
 - At the next Board meeting, following attendance at a conference or meeting for which a Director has received expense reimbursement, the Director shall briefly report on the meeting. If multiple Directors attended, a joint report may be made.
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Authority

Resolution No. 32874-94, August 9, 1994
Amended by Resolution No. 33414-04, March 23, 2004
Amended by Resolution No. 33471-05, April 26, 2005
Amended by Resolution No. 33661-08, March 11, 2008
Amended by Resolution No. 33756-10, February 23, 2010
Amended by Resolution No. 33919-13, March 26, 2013
Amended by Resolution No. 33923-13, April 9, 2013

Reimbursement of Director Expenses

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Amended by Resolution No. 35061-17, September 26, 2017
Amended by Resolution No. 35168-20, March 24, 2020
Amended by Resolution No. 35325-22, November 22, 2022
Amended by Resolution No. 35451-25, May 27, 2025

References

Government Code Section 53232.2
Government Code Section 53232.3
Public Utilities Code Section 11908.1
IRS Publication 463 – Travel, Entertainment, Gift and Car Expenses
Policy 6.04 – Ethics of the EBMUD Board of Directors
Resolution No. 35000-16 dated August 9, 2016
Resolution No. 35428-24 dated November 26, 2024
EBMUD District Vehicle Guidelines
EBMUD Board of Directors Governance Manual

GUIDELINES FOR REIMBURSEMENT OF BOARD OF DIRECTOR EXPENSES

PURPOSE – These guidelines are used to reimburse Board of Directors (Director) for actual, reasonable and necessary expenses while engaged in official District business, as provided in MUD Act Section 11908.1, pursuant to Policy 4.14.

Internal Revenue Service (IRS) Requirement

The District operates under an Accountable Plan, as defined in Internal Revenue Service Regulations 1.62.2. An Accountable Plan is one in which expense reimbursements are not taxable income, not wages, and not included as income. To be an Accountable Plan (according to the IRS), your employer's reimbursement or allowance arrangement must include the following rules:

- Your expenses must have a business connection - that is, you must have been paid or incurred deductible expenses while performing services as a 'Director of the District'.
- You must adequately account to your employer for these expenses within a reasonable period of time.
- You must return any excess reimbursement or allowance within a reasonable period of time.

Reasonable Period of Time: The definition of reasonable period of time depends on the facts and circumstances of your situation. However, regardless of the facts and circumstances of your situation, actions that take place within the times specified in the following list will be treated as taking place within a reasonable period of time.

- You adequately account for your expenses within 60 days after they were paid or incurred.
- You return any excess reimbursement within 120 days after the expense was paid or incurred.
- You are given a periodic statement (at least quarterly) that asks you to either return or adequately account for outstanding advances and you comply within 120 days of the statement.

Authorization

Reimbursable Expenses That Require Prior Authorization

- Conferences, seminars, or similar training courses requiring either a registration fee or overnight lodging costing \$200 or more.
- Travel to destinations in excess of 150 miles from the Director's normal place of work or for overnight lodging of more than one night related to business travel.
- Travel advances and/or prepayment of business expenses that require submission to the Office of the Secretary.
- Use of international data or telecommunications plans while traveling for non-District related purposes to remain in contact and available for District related communications.

Note: The Board President approves all prior authorization requests from Directors. The Board Vice President approves all prior authorization requests from the Board President, and in the President's absence, may approve fellow Directors' authorization requests. In the absence of the President and/or the Vice President, the Immediate Past President who currently sits on the Board may also approve authorization requests including requests from the President or Vice President. Any expenses incurred without prior written approval will not be reimbursed unless it is an emergency related to District business.

Prior to the beginning of each fiscal year, the Secretary will provide the Board with a draft calendar of conferences and activities for the fiscal year that may require reimbursable lodging, registration or airfare. By June 10 of each year, each Director shall provide the Secretary with a written forecast of the Director's planned event attendance for the fiscal year. The written forecast can include conferences or activities that were not on the draft calendar provided by the Secretary. The Secretary will submit the written forecasts to the Board President for review and approval. During the fiscal year, Directors can submit requests to participate in additional conferences or activities for the Board President's consideration.

Reimbursable Expenses That Do Not Require Prior Authorization

- Conference, seminar or similar training registration fees costing less than \$200.
- One day travel less than 150 miles from the Director's normal place of work.
- Training with no registration fee or overnight stay.
- Business meetings or District sponsored events:
 - Regular, adjourned regular, and special meetings of the Board.
 - Board committee meetings (as a member or alternate at the request of the committee chairperson) whether standing or ad hoc.
 - Seminars, and non-District meetings or functions when attending as a representative of the Board.
 - Other services rendered as a Director.
- Typical reimbursed monthly expenses:
 - Meals – Refer to meals section.
 - Mileage – Refer to use of private owned vehicles section.
 - Tolls – No receipt required.
 - Parking – Receipt required.
 - Monthly internet charges – Reviewed and approved by Chief Information Officer. Expenses must be submitted within six months of being incurred or expense payment being made.

Qualifications

Director business expenses are reimbursed or paid directly by the District provided they are ordinary, necessary, reasonable, and within the scope of District business

for the individual requesting reimbursement. Expenses must meet the following general qualifications:

- Expenses incurred must comply with the provisions of this policy and all expenses must be properly authorized.
- Expenses and business purpose to the District must be adequately documented and explained. Reimbursement of actual expenses requires submission of receipts for all expenses except per diem reimbursement for luggage handling and housekeeping tipping, or reimbursement of bridge tolls.

**Allowable
Expenses**

Registration Fees

- Registration fees incurred to participate in conferences, training courses or other similar activities directly related to District business or interests are reimbursable.

Meals

Reimbursement for meals requires an itemized receipt and is limited to the IRS approved per diem rate for the area of travel. Per diem rates are subject to change at any time. The IRS approved per diem rate will be disbursed in whole dollar amounts to approximate 20 percent for breakfast, 30 percent for lunch, and 50 percent for dinner. Current per diem rates can be reviewed at the U.S. General Services Administration website, [GSA Home](#). Click the link to "Per Diem Lookup".

Meal expenses (breakfast, lunch, or dinner) are reimbursable for Directors under these specified conditions:

- For one-day training, conferences, seminars, meetings, and trips.
- Business meal costs incurred must be reasonable, necessary and at appropriate locations. You must include the names of participants (if being claimed for reimbursement), and the specific business purpose of the meal. Food may be provided at on-site gatherings such as ward events.

It is the Director's responsibility to make necessary arrangements with the host for special dietary requirements. If the Director's special dietary needs request is denied by the host, the Director should receive a meal reimbursement for that meal. The Director is required to provide written details from the host indicating the special dietary needs request cannot be fulfilled.

Car Rentals

Car rentals are only approved if public transportation is not reasonably available in the area of travel. Car rentals should be for compact or mid-sized models without upgrades for one or two persons sharing transportation. For three or more persons, or as required to meet District business needs, a larger model may be rented.

The District may contract with a vehicle rental company as a preferred provider. Such a preferred provider will offer governmental rates to Directors for all travel and will not offer liability or collision insurance to Directors on District business because the District is self-insured.

Use of Privately Owned Vehicles

Reimbursement for mileage expenses incurred shall be determined as follows:

- Local and long-distance travel shall be reimbursed at the authorized IRS rate per mile.
- Long distance travel - Mileage expenses shall be based upon direct mileage between destinations as determined from established tables of highway distances.
- Directors are personally responsible to pay all traffic citations, parking tickets and any resulting towing or impound charges.
- Mileage to and from the airport and parking at the airport. A receipt is required for cabs, ride-sharing, shuttle service or airport parking.

Note: The mileage reimbursement, plus related enroute expenses per Director, shall not exceed the corresponding lowest quoted round-trip airfare plus an allowance of \$50 covering avoided costs from Oakland, San Francisco, Sacramento or San Jose to the terminal point nearest the point of destination. Lowest quoted round-trip airfare represents the fare for a direct flight (for in state travel), during normal business hours and must be documented through services such as Expedia, Travelocity and Orbitz or similar travel website. Questions regarding "in lieu" fare levels can be verified with the Secretary of the District in advance of travel.

Use of District Fleet Vehicles

A Director may request use of a District fleet vehicle for travel in connection with attendance as a representative of the District at events. The Director should submit a request to the Office of the Secretary as far in advance as possible but no later than 72 hours before their travel date. The Director will operate the fleet vehicle in accordance with all vehicle laws and District vehicle guidelines. The Director will be responsible for refueling the fleet vehicle in accordance with District vehicle guidelines prior to returning it to the District. The Director will be reimbursed for refueling the fleet vehicle.

Directors are personally responsible to pay all traffic citations, parking tickets and any resulting towing or impound charges in a timely manner.

Lodging

Lodging expenses are limited to the GSA per diem rates. The rate may be exceeded if staying at the conference hotel. Lodging expenses will be reimbursed only when overnight absence from the Director's home is required. An itemized receipt must be included with the Expense Report. Overnight lodging is not authorized for conferences or seminars that are within the service area without specific advance written approval from the Board President.

Note: If double, deluxe, suite, or other premium-cost accommodations are requested, reimbursement will be at the GSA per diem rate. The receipt should be annotated to show the "standard single" rate if the cost of the accommodations exceeds that rate.

Government, corporate or conference rates must be requested, when available, and used if these rates are less than otherwise posted rates.

Transient Occupancy Tax (TOT)

When reserving a hotel reservation for a stay in City of Rancho Mirage, San Francisco and Sacramento cities and counties, complete the TOT exemption form. When you check in, show the hotel staff the form, show them your District ID and sign the TOT exemption form. Exemption forms are found on the Travel and Expense (T&E) [Splashpad page](#).

Airline Fares

Each airline ticket purchased must be at the lowest fare consistent with the business purpose. The District does not reimburse the costs of travel agent fees incurred for the purpose of purchasing airlines tickets. Directors traveling by air for business have the option to reserve and purchase airline tickets on the Internet using their personal credit card and documenting the available fare options that reasonably meet the business purpose.

The following travel service websites are available to research and book reservations:

- Expedia.com
- Travelocity.com
- Orbitz.com
- Travelzoo.com
- Kayak.com

Other travel websites may also be used. Not all airlines are affiliated with these travel service websites, including Southwest, Jet Blue, ATA, etc. Therefore, those airline websites should also be reviewed for cost comparisons for available flights.

After locating the lowest airfare consistent with the business purpose of the trip, if the airfare is greater than \$250 the Director must provide the information from the website(s) (travel service website and, where used, specific airline website) indicating the alternative options available, in addition to the option ticketed. That documentation must show the lowest fare available for the business trip and must accompany the Expense Report for reimbursement or payment to the District.

Miscellaneous

- Internet Access at the hotel or conference center for business use and access to District Information systems.
- Limits on gratuities are described below:
 - Business meals – 18 percent of the total cost of the meal for an individual or as automatically charged by the restaurant for a group business meal when substantiated by an itemized receipt.
 - Taxi or rideshare – 10 percent of the cost of taxi or rideshare fares.
 - Luggage handling and housekeeping – limited to the IRS per diem rate for the area.

- Laundry services are only reimbursed when travel extends beyond five business days.
 - Minor purchases are reimbursable up to \$500 for non-stock/non-repetitive supplies, or materials that cannot be procured economically through normal channels due to time or the value of the purchase.
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Unauthorized Expenses

Meals

- Meal allowances are not paid for meals enroute by air when food is provided by the airline, included with the conference registration, or otherwise provided. (Snacks and continental breakfasts such as rolls, juice and coffee shall not be considered meals.)
- Business discussions during mealtime between Directors, and a Director and employees do not constitute a business meal eligible for reimbursement.
- Alcoholic beverages are not reimbursed except for specific events with prior written approval of the Board President.

Car Rental Insurance and Citations

Directors should not purchase, nor shall the District reimburse the cost of liability or collision insurance as the District is self-insured. Insurance authorized by the Director at the time of rental will not be reimbursed. In the event of an accident while using a rental car, refer the car rental agency to the District's Risk Management Division.

Directors are personally responsible for paying all traffic citations, parking tickets and resulting towing or impound charges in a timely manner.

Airline Fares

Directors will not be reimbursed for the following airline fees:

- Upgraded seating such as first-class, business class, or economy plus
 - When a Director prefers to use a higher class than the economy ticket for reimbursement, the Director must pay the incremental cost of the airfare and provide documentation that shows the incremental cost.
- Early Bird check-in
- Frequent flyer miles or rewards programs
- Cancellation protection or insurance
- Additional travel insurance or premiums

Any requests for a particular airline or routing which results in higher fares will not be reimbursed. The additional costs of airline fares will be the responsibility of the Director.

Miscellaneous

The District provides a cell phone allowance or District cell phones for business related telephone expenses. The District does not provide any additional reimbursement for business or non-business related telephone expenses.

**Travel and
Expense
Authorization**

Travel and Expense Authorizations:

- Must be completed in Elsie for reimbursement of expenses before the expense is incurred unless these guidelines specifically state otherwise.
 - Must be completed by each Director for all travel and approved by the Board President.
 - Travel and Expense Authorizations become a public record upon submission to the District for payment.
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**Processing Travel
and Expense
Authorizations**

Director

- Receives permission from the Board President or designee to attend a conference, seminar, or training course.
- Requests Secretary of the District to complete Travel and Expense Authorization in Elsie before expenses are incurred.
- Provides copies of the conference, seminar or training course schedule/agenda to include with the Travel and Expense Authorization.
- Provides written justification stating business purpose for the expense to include with the Travel and Expense Authorization.
- Completes the local TOT exemption form for lodging in California at time of check in if available in that city.

Office of the Secretary

- Prepares Travel and Expense Authorization in Elsie, attaches the required documentation and written request from the Director and obtains approval from the Board President.
- Reviews and approves use of the District Purchase Card for travel and business related expenses and direct travel-related expense payments for up to the total approval amounts shown on Travel and Expense Authorization for transactions requiring payment via purchase/credit card.
- Determines the “reasonableness” of expenses eligible for reimbursement based on time and location of travel, duration of trip and purpose of travel.
- Enters Travel and Expense Authorization with supporting documentation and approvals in Elsie for processing by the Accounting Division.

Board President

- Reviews and approves Travel and Expense Authorization for reasonableness and forwards it to the Office of the Secretary.

Board Vice President

- Reviews and approves, for the Board President and all other Directors in the President's absence, Travel and Expense Authorization for reasonableness and forwards it to the Office of the Secretary.

Immediate Past President (who currently sits on the Board)

- In the absence of the Board President and/or the Vice President, reviews and approves for the President, Vice President or other Director's Travel and Expense Authorization for reasonableness and forwards it to the Office of the Secretary.

Accounting Division

- Accounts Payable (AP) staff, under the direction of the Controller, audits Travel and Expense Authorizations submitted for compliance with procedures.
- Prepares direct travel-related expense payments for up to the total approval amounts shown on the Travel and Expense Authorization for transactions requiring payment by check.

Expense Report

Expense Reports must always be completed by each Director for reimbursement of any business expense after the expense is incurred unless these guidelines specifically state otherwise. All Expense Reports must include adequate documented explanations of the business purpose of the expenses. Expense Reports become a public record upon submission to the District for payment.

**Processing
Expense Report**

Director

- Submits Expense Report and supporting receipts to the Office of the Secretary. Do not include any personal information such as personal credit card information, bank account information, home address or personal phone numbers.
- Always use the most current version of the form in the Forms Shop which will include current mileage reimbursement rates, regulatory and processing changes.
- The Director incurring the expense cannot approve their own Expense Report.
- Information in the Expense Report must be authorized in writing (e.g., via email) by the Director incurring the expense

Office of the Secretary

- Reviews Expense Report and attachments.
- Sends Expense Report to the Board President for approval.

- Enters Expense Report with supporting documentation and approvals in Elsie for processing by the Accounting Division.

Board President

- Reviews Expense Report for approval after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Expense Report to Office of the Secretary for final review before Office of the Secretary enters Expense Report with supporting documentation and approvals into Elsie.

Board Vice President

- Reviews and approves Expense Report for the Board President and all other Directors in the President's absence after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Expense Report to Office of the Secretary for final review before entering in Elsie.

Immediate Past President (who currently sits on the Board)

- In the Board President and/or Vice President's absence, reviews and approves Expense Report of the President, Vice President or other Directors after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Expense Report to Office of the Secretary for final review before entering in Elsie.

Accounting Division

- Audits all Expense Reports for compliance with procedures.
- Returns incomplete Expense Reports to the Office of the Secretary with a request for adjustment or explanation.
- Advises Office of the Secretary when reimbursement is available for distribution to Director.

Prepayment of Expenses

For periodic expenses when a Travel and Expense Authorization is not required (tolls, BART fares, personal car mileage, etc.) an Expense Report should be submitted by the 10th day of the month but no later than 30 days following the expenditure.

If the Director chooses not to purchase an airline ticket, the information regarding the ticket selection should be sent to the Secretary of the District who will purchase the ticket at the request of the Director. The charge for the amount of the ticket will be recorded as a prepaid expense to be cleared by a subsequent approved Expense Report.

Cancellations

When traveling on District business, the Director must be reasonably certain that they will be able to complete the trip. Canceling a trip or participation in a local event, training, or seminar that does not require airfare or lodging for personal reasons or “good cause” must be approved by the Board President and may result in the Director being responsible for any non-refundable costs. Where possible, another Director may be substituted with the approval of the Board President. If a substitution needs to be made, notify the Secretary's Office as soon as reasonably possible and copy the Board President.

Good cause shall include, but not be limited to, a director's illness, family emergency, or schedule conflict directly related to the business and interests of the District.

Business and Personal Combined

Any Director who wishes to combine personal and business travel should consult with the Secretary of the District who in consultation with the Controller prior to the trip will determine a reasonable allocation of costs. Any cost variance in airfare, car rental, or lodging must be clearly identified on the Travel and Expense Authorization. Charges to accommodate personal preferences will not be reimbursed. Use of frequent flyer miles will not be reimbursed. All other expense reimbursement rules apply.

Substantiation of Travel Expenses

Travel expenses shall be substantiated by any of the following sources:

- Board meeting minutes
- Certification of committee attendance signed by the committee chair
- Verification of attendance at authorized meetings and functions signed by the Board President