

TRAVEL & EXPENSE REIMBURSEMENT	POLICY	
	Document Number:	FRS-PL-0340
	Version Number:	5

1.0 Purpose:

To provide uniform guidelines for payment of business related expenses for authorization to travel, and for payment of travel related expenses for VTA employees, Board Members, and others in the service of VTA.

2.0 Policy:

2.1 Authorization to Travel:

Except as otherwise provided, VTA employees shall secure written authorization for overnight travel from the General Manager or from General Counsel for Counsel's office staff.

2.1.1 Employees shall secure written authorization from their respective Approving Authority to travel by personal automobile on VTA business for trips of one day or less outside the nine Bay-area counties, Santa Cruz and San Benito counties.

2.2 Travel Management:

The efficiency of the travel agency is optimized when all company business is consolidated through one agency. Therefore, ALL travel on behalf of VTA including: air, car rental, shuttles, and hotels should all be booked through VTA's official travel agency herein referred to as "Agent."

2.2.1 All employees who travel (traveler) on behalf of VTA must complete a Traveler Profile. The Agent will maintain this profile and it can be updated at any time by the traveler.

2.2.2 The Agent is guided by this travel policy and will confirm the lowest airfare available on the requested itinerary based on the traveler's needs.

2.3 Reimbursement of Expenses:

Persons who have been authorized to travel shall be reimbursed for actual and reasonable expenses incurred for mileage, transportation, lodging, meals, and other miscellaneous expenses. The maximum amount of such reimbursement shall be as follows:

2.3.1 Transportation:

2.3.1.1 Airplane/Train travel - Actual cost for coach airfare or the lease expensive mode of train travel, except as otherwise authorized by the General Manager.

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- Tickets shall be purchased from the Agent, except when employees are able to get a lower airfare on their own. Airline/Train selection by an employee will not be permitted unless the cost is at or below the lowest fare offered by Agent. Any changes an employee wishes to make in travel arrangements made through the Agent shall be made through the Agent. If a trip is canceled, the unused tickets must be returned immediately.

Airline tickets purchased from sources other than the Agent shall be purchased by travelers using their own funds and shall be reimbursed in accordance with 3.1.

- Airline/Train travel shall be by “coach” and will be used by all staff members unless the General Manager authorizes otherwise.
- When air transport is the economical choice but the traveler chooses to drive or use other modes of travel, the reimbursement may not exceed the cost of the lowest available airfare for the same points of origin and destination. The traveler must provide appropriate price quotes from the Agent, obtained at the time of the decision to drive vs. fly, to document the appropriate airfare for comparison.
- Frequent flyer benefits can be retained by the employee, but should not be the basis for switching air schedules, hotel accommodations, or car rentals unless such choice is reasonably equal in cost to the lowest acceptable alternative. VTA will not reimburse any associate/membership fees for frequent flyer clubs.
- Employees may elect to upgrade travel class at any time if they *personally pay the cost difference* between the class fare on their ticket and the class fare desired.

2.3.1.2 Public carrier services, such as taxicabs, shuttles, buses, and trains will be reimbursed for at actual cost.

2.3.1.3 Airport parking fees - Actual cost in long term parking only

2.3.1.4 Rental car costs - Least expensive rate. A car may be rented only when necessary and when other transportation is not feasible, or car rental is more economical, and must be authorized in advance by Approving Authority.

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Any upgrades will be at the employee's expense. Additional insurance is not required.

2.3.1.5 Ancillary Fees:

Luggage Charges: VTA will not reimburse for additional luggage charges (second checked bag or overweight) unless there is a reasonable business explanation for the charges. Receipts are required for reimbursement of baggage handling fees. Travelers can check-in for their flights and check their bags online for a lesser fee than if bags are checked at the airport at the time of departure.

Other Fees: VTA will reimburse for any fees charged by the airlines which can be substantiated as business-related. VTA will not reimburse fees for priority seating or other convenience seating fee. Charges for food or beverage services are not reimbursable as those charges would be covered by the per diem meal allowance.

2.3.2 Unused Tickets/Cancellations:

The Agent encourages ticketless travel whenever possible. Occasionally, and for international travel, a paper ticket will be used. All unused non-refundable airline tickets must be reported to the Agent immediately. If a paper ticket was issued, the tickets must be returned immediately to the Agent. Unused non-refundable tickets will be noted in your profile and you are encouraged to use them for a future trip. There are service charges that will apply; however, it will reduce the cost of your next trip. Refundable tickets reported to the Agent will be submitted to the Airline Reporting Corporation for credit and all penalties and surcharges apply.

2.3.3 Indirect or Interrupted Travel:

Employees, who for their own convenience travel by an indirect route, or interrupt travel by direct route, will not be reimbursed for any extra expense incurred. Reimbursement will be issued only for that portion of the expenses properly chargeable to VTA. The employee is expected to pay the additional personal expense to the carrier. If this is not possible, the employee will reimburse VTA for any extra expense incurred upon submitting the Expense Report. The traveler must provide appropriate price quotes from the Agent.

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2.3.4 Lodging:

Lodging expenses incurred by employees within the nine greater Bay Area counties shall not be reimbursed unless there are extenuating circumstances which requires prior General Manager approval.

2.3.4.1 The actual cost for single person occupancy unless a greater amount is authorized by the General Manager.

All hotel reservations are to be made by the Agent and will include guaranteed payment for late arrival. Should the employee need to change or cancel the reservation, it is the employee's responsibility to cancel the reservation in sufficient time to avoid the charge for guaranteed late arrival by either notifying the Agent, or by calling the hotel directly. VTA will not reimburse, and employee will be responsible for, any charges by the hotel for a "no-show" due to an employee's failure to comply with this requirement, unless there are extenuating circumstances, which require General Manager approval.

Travelers having to stay in a hotel unexpectedly for an additional night should make that arrangement with the Travel agent. If the traveler is unable to reach their Approving Authority for approval prior to the Travel Agent booking the room, they must do so at the earliest possible time thereafter.

The following hotel rate guidelines should be adhered to whenever possible. Daily rates, exclusive of taxes, in excess of these guidelines requires General Manager approval. The Agent will reserve your lodging; however, you will be required to pay for your lodging at check-out and submit an expense report to request reimbursement. Lodging rates greater than those defined on the GSA website www.gsa.gov/perdiem requires General Manager approval as outlined in the "Section 5.0 Exceptions" of this policy.

2.3.4.2 For travelers electing to extend their stay one or two weekend days to secure a lower airfare, the additional food and lodging costs will be reimbursed by VTA, only if the difference in airfare between the lowest weekday rate and the lower weekend rate is more than the additional food and lodging costs.

2.3.5 Meals and Incidental Expenses:

On a Per Diem or actual cost basis.

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2.3.5.1 Per Diem Basis:

The per diem allowance covers meals and incidental expenses such as tips. The traveler shall designate the same method of reimbursement for the entire trip on the expense reimbursement form.

Federal Government Per Diem: Per diem reimbursements shall be at the published federal governmental per diem rates. No receipts shall be required. These rates are available on the Internet at www.gsa.gov/perdiem. If the specific destination is not indicated on the federal government web page, the standard federal government per diem rate will apply.

2.3.5.2 Actual Cost Basis:

A maximum of \$62.00 for meals and incidentals. If the travel is for a partial day, or any meal is included in the price of a hotel or seminar, meal reimbursement shall not exceed the following: \$15.00 for breakfast, \$17.00 for lunch, and \$30.00 for dinner. Reimbursement will not be paid without receipts that verify the expenditures. For travel to a high cost area, such as New York City or Washington D.C., the General Manager may authorize reimbursements for meals that exceed the limits listed above.

2.3.5.3 Actual cost of meals:

When meals are served in conjunction with a business meeting or when there is no choice in the price of said meals.

2.3.6 Gratuities:

2.3.6.1 Reasonable gratuities are allowed for baggage handling at the airport and hotel. Gratuities for these tips do not require receipts.

Tipping Allowances

While usually and customary, tipping is generally a personal decision based upon perceived quality of service and personal generosity. However, when public money is the source of payment, then parameters of "reasonableness" need to be applied. Because of expectations in various locations, levels of service and the cost of the service can vary greatly, Travelers are expected to tip fairly but not overly generously.

2.3.7 Telephone - Business/Personal:

2.3.7.1 VTA business: Actual cost if documentation as to person called and subject discussed is provided.

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2.3.7.2 Personal long distance calls, up to \$10 per day for domestic phone calls and \$20 per day for international phone calls if a receipt is provided, when overnight travel is authorized.

2.3.7.3 Internet connection to check VTA emails, if authorized in advance by the respective Approving Authority.

2.3.8 Business Meeting Meal Expenses:

2.3.8.1 This business meal section is used both for non-travel business meals and travel-related business meals. For both meal types, information such as date, name, and business relationship of those entertained, amount, and business purpose should be entered.

For VTA representatives: Actual cost, provided the General Manager, Division Chief, Director or General Counsel has authorized in advance, and meals are in conjunction with a meeting relating to VTA business. Representatives include members of an appointed board or committee as well as other individuals providing service to VTA without compensation, and any VTA employee assigned to assist the same.

Those managers whose expenses are charged to projects funded by Federal or State sources are to verify that the expenditures are allowed under that specific grant before incurring the expense.

2.3.8.2 In connection with travel within the nine Bay-area County region, Santa Cruz and San Benito counties.

No reimbursement for meals taken during the normal working day or less than two hours before and less than two hours after the normal working day, unless authorized in writing in advance by the respective Approving Authority. For meals taken during travel occurring more than two hours before or more than two hours after the normal workday, in accordance with Section 2.3.3.

2.3.9 Travel Expenses for Job Applicants:

2.3.9.1 Travel expenses for job applicants must comply with the Business Services Interview and Relocation Procedure AS-HR-PR-3865.

2.3.10 Mileage:

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2.3.10.1 For authorized travel on VTA business by use of a privately owned motor vehicle, “actual miles traveled” following the shortest possible route.

2.3.10.2 Actual Miles traveled includes:

- The mileage from home to the first fieldwork location, which exceeds the mileage from home to the regular work location.
- The mileage to and from the regular work location and the field location, and between field locations.
- The mileage from the last field location to home, which exceeds the mileage from the regular work location to home.
- The mileage to and from home or office to the airport or other point of commercial conveyance.
- If a personal vehicle is left at the Airport for more than one day parking will be reimbursed per day based on long term parking rates or other transportation fare to and from airport whichever is lower. Parking will not be reimbursed for more than one day at the short term rate.

2.3.10.3 Actual toll charges, unless incurred as part of normal commute. Tolls associated with the use of high occupancy vehicle (HOV) lanes are considered a personal expense and **not** reimbursable.

2.3.10.4 Miles traveled by bicycles are not reimbursable.

2.3.10.5 Mileage reimbursement shall be at the maximum allowable rate per mile under the Internal Revenue Service (IRS) guidelines.

2.3.11 Business Meeting Expenses:

Actual, reasonable expenses related to conducting official VTA business with government officials, media representatives, contractors, and other similar persons. If it is necessary for a VTA employee to pay for guest entertainment expenses, the employee shall obtain prior approval from the respective Approving Authority.

2.3.11.1 Exception for extended stay: Additional expenses shall be allowed for stays of greater than seven days when required for VTA business. Examples of such charges are laundry and dry cleaning.

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2.3.11.2 Non-reimbursable expenses: Alcoholic beverages, personal items, such as for personal hygiene, in-room movies at hotels, magazines, travel insurance, and similar items not necessary to accomplish VTA business.

2.4 Advance of Funds:

Advances may be requested and given for traveling expenses as follows:

2.4.1 Advances shall be for at least one hundred dollars, shall not exceed four weeks of estimated expenditures, and shall not exceed ninety percent of the anticipated allowable reimbursement.

2.4.2 Overpayments of advances shall be repaid within 30 calendar days after the return from the travel, unless the General Manager grants an extension of time.

2.4.3 All Claims made for advance of funds shall be approved by the Approving Authority.

2.4.4 Advances shall not be paid more than 30 days in advance of travel.

2.5 Review:

All claims are subject to review by the Chief Financial Officer or designee (Disbursements Dependent). A claimed expense shall be rejected if the cost is unreasonable or if the required authorization was not obtained.

2.6 Non-Reimbursable Expenses:

Non-reimbursable items include but are not limited to the following: Purely personal expenses while traveling are not reimbursable by the company. The following is a partial listing of items that are considered non-reimbursable:

- Airline upgrades, premium seating or early board expense;
- Alcohol & Honor bar;
- Cost incurred due to itinerary changes for personal reasons;
- Reward/Club membership
- Valet Parking;
- Hotel No shows;
- Navigation systems in rental cars;
- Fines for traffic or parking violations while on VTA business;
- Loss of personal property while on VTA business;
- Loss of cash advance, VTA paid airline tickets, or personal funds;

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- Cost of personal credit cards;
- Purchase of liability insurance coverage on car rental agencies U.S. and Canada only;
- Purchase of life insurance during travel;
- Purchase of clothing and other personal items such as medicinal remedies, health supplies, cosmetics, haircuts, shoe shines, newspapers, magazines, tobacco, etc.
- Purchase of in-room movies, movie tickets or other entertainment;
- Medical expenses (other than emergency care);
- Tips exceeding guidelines;
- Mileage for VTA vehicle;
- Mileage for commute to work and from work;
- Childcare fees; kennel/boarding fees arrangements.

3.0 Procedure:

3.1 Reimbursement:

Before any actual and necessary travel expenses are reimbursed, the claimant shall prepare and sign an itemized account of such expenses, not later than 60 days after return from the travel, and this account shall be entered on or attached to a claim form provided by VTA and certified by the claimant. Claims submitted later than 60 days shall not be paid unless they are approved by the General Manager or, his/her designee or, in the case of Board members, by the Chairperson of the Board of Directors.

3.2 All claims made for reimbursement must be approved by the Approving Authority.

4.0 Definitions:

Approving Authority:

For Division Chiefs and Directors, the Approving Authority shall be the General Manager. For all other employees, the Approving Authority shall be their respective Division Chief/Directors.

Nine Bay Area Counties:

San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, Marin, Napa, Sonoma, Solano.

Receipt:

A receipt must be the original and must include sufficient information to establish the amount, date, place and the essential character of the expenditure. Credit card receipts are not considered adequate support if they do not detail the nature of the expenditure. Please provide a written explanation if receipt does not provide detail.

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5.0 Exceptions:

Any exception to the requirements of this policy shall be made by the General Manager in writing, and shall clearly indicate the reason for the exception. Use form "Exception to Travel" located on the VTA intranet HUB under Divisions/Budget & Finance/Accounts Payable.

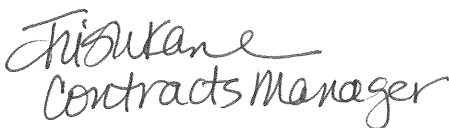


6.0 Summary of Changes:

Changes made May 2015:

- 6.1 Section 2.2, Travel Management, is an addition to the Policy; speaks to the use of a designated VTA Travel Agent.
- 6.2 Section 2.3.1.1- This section was updated to include Train travel and to reflect that all staff travel shall be by "coach"; wording was added to include that if someone chooses to drive, the cost may not exceed the cost of lowest available airfare; this new language also addresses frequent flyer benefits and upgrading class travel.
- 6.3 Section 2.3.1.5 Ancillary fees is an addition to the Policy.
- 6.4 Section 2.3.2 Unused Tickets/Cancellations, is an addition to the Policy.
- 6.5 Section 2.3.3 Indirect or Interrupted Travel, is an addition to the Policy.
- 6.6 Section 2.3.4.1 Manager Approval, was updated to include employee's responsibility to cancel reservations in sufficient time to avoid any extra charges and added which hotel rate guidelines should be adhered to.
- 6.7 Section 2.3.4.1 Tipping Allowances language was added to the Policy.
- 6.8 Section 2.3.8.2 Added wording regarding reimbursement when a personal vehicle is left at the Airport for more than one day.
- 6.9 Section 2.5 Non-Reimbursable Expenses language is an addition to the Policy.
- 6.10 Definition of Receipt was added to the Policy.

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7.0 Approval Information:

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
 for Thomas B. Smith, Purchasing & Materials Manager	 Bill Lopez, Director of Business Services	 Nuria I. Fernandez, General Manager/CEO

01/14/15
Date Signed