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## Policies and Procedures

No. 44

SUBJECT:

Board Approval: 1/19/17

MTS TRAVEL EXPENSE POLICY

PURPOSE:

To establish guidelines for MTS employees and Board members who have been approved to travel on behalf of MTS.

POLICY:

- 44.1 Agencies. This policy applies to all MTS agencies including MTS, San Diego Transit Corporation, San Diego Trolley, Inc., and San Diego Vintage Trolley, Inc.
- 44.2 Travel Authorization. Persons traveling for work relating to or for the benefit of MTS must request advance approval through a "Travel Authorization Form" (Attachment A). The form must be completed and approved based on when the need for travel is known, and if possible, at least two weeks prior to the trip. The requests can be approved as follows: department managers or directors can approve requests up to \$500, the Chief Operating Officer(s), Chief Financial Officer, or General Counsel can approve up to \$1,500, and all amounts in excess of \$1,500 must be approved by the Chief Executive Officer. The Chief Executive Officer must also approve all travel authorizations for his/her direct reports regardless of amount. The top-level approver will route the form back to the Finance Department. Finance will send a copy of the "Travel Authorization Form" to the traveler and keep the original as backup for a pending "Travel Expense Report."

This authorization form is a required step for reimbursement of travel expenses but will not by itself serve as the basis for reimbursement of travel costs, as reimbursement requests shall be made on a "Travel Expense Report" (Attachment C). All Board member and employee travel shall be consistent with Policy No. 29, "Attendance at Transit-Related Conferences." Travel reservations will be made by the individual traveler, the Clerk of the Board for Board of Director travel, or individuals as designated by the Chief Operating Officers or Chief Executive Officer.



- 44.3 Expense Report. The "Travel Expense Report" portion of the form will be used to record actual trip expenses, and must be completed within one week from the return date. The department manager or director must indicate approval of the submitted expenses (Chief Executive Officer approval for direct report travel; Chief Executive Officer, General Counsel, or Chief Financial Officer approval for Board of Director travel; and General Counsel approval of Chief Executive Officer travel). The form is routed to the Finance Department for processing, with a personal check attached for any funds due to MTS (if MTS direct expenses or travel advances exceed the total amount due). Failure to submit expense reports within this timeframe may result in not being reimbursed or collection actions taken if money is owed to MTS. Extensions may be granted by the Chief Executive Officer.

All expenses should be itemized, including items MTS may have paid for in advance (e.g., airfare, conference registration) so that the report provides a complete record of all expenses. It is the traveler's responsibility to submit a completed report in order to receive prompt reimbursement.

- 44.4 Receipts. Itemized receipts for expenditures must be attached to the "Travel Expense Report" for all expenses where a receipt is practically attainable (mandatory, unless a written satisfactory explanation is provided for expenses in excess of \$10). Such written explanations may be subjected to approval by the Chief Executive Officer. Hotel charges must be evidenced by an itemized hotel bill, as a credit card receipt is not sufficient.
- 44.5 Travel Advances. Travel advances are provided on a case-by-case basis as determined by need and approved by the Chief Financial Officer and/or Chief Executive Officer. A travel advance is a loan that provides cash resources to assist the employee while traveling and is not a payment by MTS for travel expenses. Persons requesting that MTS provide advance proceeds must request approval using the "Travel Advance Request" (Attachment B). This form must be completed and approved at least two weeks prior to the trip taking place, and these advances will typically be distributed one week prior to the departure date. Any travel advance shall not exceed the total estimated amount of the trip less any items paid by MTS.

Travel costs incurred prior to departure may be reimbursed when paid. An example is a traveler paying for conference registration or booking and paying for air travel personally several weeks in advance. Reimbursements for these costs are not considered an advance. These items should be included on a "Request for Payment/Payment Voucher" or "Travel Expense Report" and only after the "Travel Authorization Request" has been approved.

- 44.6 MTS does not reimburse employees based on per diem but rather reimburses employees for reasonable costs necessarily incurred for work travel in accordance with the terms of this policy. Employees must provide itemized receipts for all meals, hotel, airfare, registration, etc. The following expenditure guidelines and the Annual Travel Cost Rates set by MTS (rates for the current calendar year are attached as Attachment E) should be observed as upper limits unless particular circumstances reasonably dictate otherwise:
- a. Upper Limits. Upper limits for meals, hotels, and similar costs will be updated, approved by the Chief Executive Officer, and published annually. See Attachment E for the current calendar year rates.
  - b. Air Travel. Air travel is to be coach class for the most direct route. Traveler arrangements should be made as far as possible in advance in

order to secure the most favorable rates. MTS will cover the cost if it is more cost effective (i.e., difference in airfare as compared to the additional cost for hotel and meals) to include a Saturday stay. Travelers should consider this option when practical.

- c. Personal Auto Use. In the event that a private auto is used for the trip, mileage will be paid in accordance with the current IRS Mileage Reimbursement Rates. Maximum reimbursement shall not exceed the cost of a comparable coach airfare to the same location.
- d. Ground Transportation. In using surface transportation, the most practical, least expensive alternative must be utilized. Such transportation includes travel to and from the airport and reasonable business-related trips at the location. Employees and Board members are encouraged to utilize public transportation where available.
- e. Parking. MTS will reimburse the lesser of the parking cost for a personal auto left at the airport or the cost of a shuttle service or cab to and from the airport.
- f. Personal Travel. A traveler may wish to combine MTS-related travel with personal travel or include family members in the trip. If personal travel is included within the trip, prior authorization and approval of this request must be notated on the "Travel Authorization Form," and MTS will reimburse the cost equivalent to a single-person trip. Under no circumstances will MTS advance payments to cover such personal travel.
- g. Rental Car. The use of rental cars must be preapproved as part of the "Travel Authorization Form". In the event a rental car is required, MTS will only reimburse the least expensive compact-size vehicle. MTS will not reimburse for rental car insurance coverage due to the fact that employees are included under MTS's general automobile insurance coverage.
- h. Meals (While in Travel Status). Meals, including tip, shall generally average no more than the maximum rate approved and published annually. Alcohol consumed with a meal is not reimbursable, including applicable taxes and tips related to the alcohol cost. The amount per day applies to each 24-hour day of travel, and partial days would be prorated accordingly. Exceptions to the maximum rates must be approved by the Chief Executive Officer or General Counsel.
- i. Business Meal. Reasonable business (involving outside persons or when necessary to conduct MTS-related business) meals are permitted. All such meals must be itemized, including the names of all attendees, with justification.
- j. Hotel. Travelers will be reimbursed for the cost of a moderate and reasonably priced single-occupancy hotel room. The maximum reimbursement is limited to the rate approved and published annually. Hotel stays in high-cost cities shall be approved by the Chief Executive Officer. These maximum limits may be waived if the traveler is staying at a hotel where a conference is being held and approved by the Chief Executive Officer. Baggage-handling service fees are reimbursable at standard rates.

- k. Other Business-Related Expenses. Other business-related expenses while traveling such as supplies, equipment rental, reprographics, facsimiles, internet access, and other documented business-related expenses may be reimbursed when traveling on MTS business and used for MTS purposes.
- l. Travel Outside of the U.S. Reimbursement for travel to a foreign country will be calculated at the average exchange rate during the trip. All reimbursement for any Value Added Taxes charged for hotel accommodations must be returned to MTS.
- m. Telephone Calls (While in Travel Status). Reimbursements for telephone calls are permitted provided that such calls are directly related to MTS business. Travelers are required to provide an itemized list of all calls detailing the person(s) called and the reason for the call(s) for which reimbursement is requested. Personal calls are permitted up to a maximum of \$10 per day.
- n. Registration. Travelers requesting to attend a conference or training that requires registration should do so in sufficient time to take advantage of any discounts.
- o. Conferences. Conference luncheons, special banquets, or other set-price official affairs that exceed the actual cost listed under meals may be reimbursed if they are necessary to the attendance of the conference and must be authorized in advance with the submission of the "Travel Authorization Form".
- p. Cancellation Penalties. In the event that registration, airfare, hotel deposit, or any other such items that require prepayment are paid and the traveler is unable to attend and the prepayment is nonrefundable, then the traveler may be responsible for reimbursing MTS for the full cost unless the inability to attend is for valid business reasons, medical conditions, or personal emergencies, as approved by the Chief Executive Officer for employees or by the Executive Committee for Board members.
- q. Non-allowable Expenses. MTS will not provide any reimbursement for personal entertainment expenses, alcoholic beverages, movies in hotels, personal items, charitable contributions, air travel insurance, any travel expenses for family members (including but not limited to transportation, hotels, and meals), or any other expenses not deemed necessary for business purposes.
- r. Political Events. MTS will not provide reimbursement for expenses incurred for the purpose of attending political events. An event shall be considered "political" if it is held for the purpose of supporting, opposing, or raising money to support or oppose any candidate, ballot measure, or political party.
- s. Non-Discrimination. MTS will not provide any reimbursement for expenses incurred with any private club that discriminates on the basis of race, gender, religion, sexual orientation, or other invidious criteria in its membership policy.

Exceptions to these guidelines must be approved by the Chief Executive Officer for employees and by the Executive Committee for Board members.

- 44.7 Within-Area Expenses. The form entitled "Expense Report (within area expenses)" (see Attachment D) must be used to record any potential eligible expenses.
- a. Submittal of Form. Employees must submit this form together with receipts after applicable expenses are incurred. This report applies to expenses incurred within the San Diego County area only.
  - b. Eligible Expenses. Eligible expenses must be related to and necessary for carrying out MTS business. They may include, but not be limited to, business meals or meetings, mileage, parking, or other miscellaneous out-of-pocket expenses related to MTS business. The Chief Executive Officer or Chief Financial Officer may, in their judgment, disallow any extraordinary or inappropriate expenses. Whenever possible, local travel should be by public transportation. If it is impractical to use public transit, an MTS vehicle or private auto should be used.
  - c. Description and Purpose. The report should include the date, description / purpose (including destination), and the applicable department / account code (if operations) or the applicable project / task detail (if capital).
  - d. Approvals. All necessary approvals must be obtained in advance and the completed form must be submitted to the Finance Department within one week after expenses are incurred.

44.8

Travel Time. MTS pays non-exempt employees for travel time in accordance with the Fair Labor Standards Act (FLSA).

- a. Home to Work Travel. In general, the time an employee spends commuting from home to work and from work to home is not work time and is not compensable.
- b. Single-Day Travel. Time spent by a non-exempt employee in travel as part of his or her normal work activities (travel is performed for the benefit of MTS and at its request), such as travel to a seminar during regular working hours, is considered hours worked. If the employee is required to travel to another city and return home in the same day, the travel time to and from the other city is considered hours worked regardless whether the travel occurs within the employee's normal work schedule or by common carrier. However, meal periods and the travel time between the employee's home and the point of public transportation (i.e. airport, train station) are not considered hours worked.
- c. Overnight Travel. Travel by a non-exempt employee who (at the request and for the benefit of MTS) will be away from home overnight is work time only during those periods that coincide with the employee's regular working hours (i.e. Monday through Friday 9 a.m. to 5 p.m.). Such time is counted as hours worked even if it occurs on a non-working day (i.e. Saturday or Sunday between 9 a.m. and 5 p.m.). Travel outside regular working hours as a passenger in a plane, train, boat, bus or automobile is not considered hours worked. Driving a vehicle, regardless of whether the travel takes place within or outside normal work hours, counts as hours worked if it is for the benefit of MTS. (If an employee drives a car as a matter of personal preference in lieu of a different authorized mode of travel, only the estimated travel time associated with the authorized mode will be counted as hours worked.) To the extent that an employee performs work while

traveling (i.e. preparing for a meeting, reviewing documents, making telephone calls), this time constitutes hours worked even if the travel time would otherwise not be compensable. Regular meal periods and time spent at a hotel with freedom to use time for the employee's own purposes is not compensable. The employee will not be compensated for time not working even if it occurs within the employee's regular work schedule (i.e. employee goes sightseeing).

Non-exempt employees shall record and report all hours worked in accordance with the above guidelines. Overtime will be paid to the extent that hours worked, including travel hours specified above, exceed 40 hours in a workweek. If you have any questions, please contact Human Resources.

#### POLICY.44.TRAVEL EXPENSE POLICY

Attachments: A. Travel Authorization Form  
B. Travel Advance Request  
C. Travel Expense Report  
D. Expense Report (within-area expenses)  
E. Annual Travel Cost Rates

Original Policy approved on 8/12/93.

Policy amended on 10/27/94.

Policy revised on 4/29/04.

Policy revised on 1/26/06.

Policy revised on 7/19/07.

Policy revised on 6/24/10.

Attachments updated by Staff 1/16/13.

Policy and attachments revised on 9/12/13.

Attachments updated by Staff 7/24/14.

Attachments updated by Staff 5/18/15.

Attachments updated by Staff 2/2/16.

Policy and attachments revised on 1/19/17.

Attachments updated by Staff 6/21/17.

Attachments updated by Staff 6/12/19.



**TRAVEL AUTHORIZATION FORM**

*(complete this form first, before any travel expenses are incurred)*

- MTS
- SDTC
- SDTI

**PART I - EMPLOYEE INFORMATION**

Report Date: _____ 6/21/2017 _____	<b>Costs to be charged to:</b>
Employee Name: _____	Department/Acct Code: _____
Title: _____	<b>OPERATIONS ONLY</b>
Department Name: _____	Project/Task Detail: _____
	<b>CIP ONLY</b>
Travel Dates: _____	Location: _____
Meeting Name/Purpose: _____	

**PART II - TOTAL ESTIMATED EXPENSES**

Transportation	
Air	
Train	
Car	
<i>Mileage rate = .58¢ / mile</i>	
<i>Rental car insurance is not reimbursable</i>	
<b>Total Transportation</b>	\$ -
Shuttles / Taxi / Parking	
Lodging	
Days	
Rate	
<b>Total Lodging</b>	\$ -
Meals	
Days	
Rate	
<b>Total Meals</b>	\$ -
Other Costs	
Registration	
Other	
Other	
<b>Total Other</b>	\$ -
<b>Grand Total Estimated Expenses</b>	\$ -
Less: Amount To Be Paid Directly By MTS	\$ -
<b>Maximum Amount To Be Paid By Traveler</b>	\$ -

**PART III - SIGNATURES and APPROVALS**

	Signature	Date
Traveler:	_____	_____
Department Manager / Director:	_____	_____
COO / CFO / General Counsel:	_____	_____
Budget Manager:	_____	_____
CFO / General Counsel:	_____	_____
Chief Executive Officer:	_____	_____

Attachment B

(Revised 2.2.2016)



**TRAVEL ADVANCE REQUEST**  
*(complete this form, if needed, to request cash for travel)*

- MTS
- SDTC
- SDTI

**PART I - EMPLOYEE INFORMATION**

Report Date: 2/2/2016

Employee Name: \_\_\_\_\_

Title: \_\_\_\_\_

Department Name: \_\_\_\_\_

Travel Dates: \_\_\_\_\_

Meeting Name/Purpose: \_\_\_\_\_

**PART II - TOTAL ESTIMATED EXPENSES**

Grand Total Estimated Expenses (from travel authorization form)	\$	-
Less: Amount To Be Paid Directly By MTS (from travel authorization form)	\$	-
Maximum Amount To Be Paid By Traveler (from travel authorization form)	\$	-
<b>Total Advance Requested</b>	<b>\$</b>	<b>-</b>

**PART III - SIGNATURES and APPROVALS**

Signature

Date

Traveler: \_\_\_\_\_

Department Manager / Director: \_\_\_\_\_

COO: \_\_\_\_\_

CFO / General Counsel: \_\_\_\_\_

Chief Executive Officer: \_\_\_\_\_



Attachment C

(Revised 1.4.2017)



**TRAVEL EXPENSE REPORT**

*(complete this form no later than 1 week after return from travel)*

- MTS
- SDTC
- SDTI

**PART I - EMPLOYEE INFORMATION**

Report Date: 1/4/2017 Costs to be charged to: \_\_\_\_\_

Employee Name: \_\_\_\_\_ Department/Acct Code: \_\_\_\_\_

Title: \_\_\_\_\_ **OPERATIONS ONLY**

Department Name: \_\_\_\_\_ Project/Task Detail: \_\_\_\_\_

Meeting Name/Purpose: \_\_\_\_\_

**CIP ONLY**

**PART II - TOTAL EXPENSES**

		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5	DAY 6	Total
Travel Dates								
Location (City, State)								
Transportation**								\$ -
Shuttles/Taxis								\$ -
Parking								\$ -
Lodging								\$ -
Meals (Use Detail Tabs)	Breakfast (\$20 daily limit)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Lunch (\$25 daily limit)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Dinner (\$50 daily limit)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	Registration							\$ -
Other:								\$ -
Other:								\$ -
Other:								\$ -
<b>Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1. Travel expense report must be filled within one week after completing trip.

2. Attach receipts for all purchases over \$10. Explain all items over \$10 not having receipts.

3. Include related trip items paid separately by MTS; mark with an asterisk.

\*There is an overall daily cap of \$65 for Small / Medium U.S. Cities and \$80 for Large U.S. Cities / International

\*\*Rental car insurance is not reimbursable.

Total Expenses	\$ -
Less MTS Paid Items (please enter a + number)	
Subtotal	\$ -
Less Cash Advanced (please enter a + number)	
Amount Due	\$ -

**PART III - SIGNATURES and APPROVALS**

I certify that the above report is true and correct. CEO approval of exception(s) from the Travel Policy: \_\_\_\_\_

	Printed Name	Signature	Date
Traveler:	_____	_____	_____
Manager/Supervisor (Up to \$3000):	_____	_____	_____
Department Director (Up to \$5000):	_____	_____	_____
Chief Financial Officer:	_____	_____	_____



**EXPENSE REPORT  
(within-area expenses)**

- MTS
- SDTC
- SDTI

Finance Use Only:

PEID \_\_\_\_\_

**PART I - EMPLOYEE INFORMATION**

Employee Name: \_\_\_\_\_

Period: \_\_\_\_\_ to \_\_\_\_\_

Employee Signature: \_\_\_\_\_

I certify that the expenses reported are true and correct.

**PART II - EXPENSES AND MILEAGE DETAIL**

Date	OPERATIONS ONLY	CIP ONLY	Description / Purpose	Telephone	Meeting	Mileage	Other	
	Dept./Acct Code	Project/Task Detail		555100	Exp. 575230	(.58¢/mile) 575230		
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
_____	_____	_____	_____	\$ -	\$ -	\$ -	\$ -	
<b>TOTALS</b>				\$ -	\$ -	\$ -	\$ -	
							<b>GRAND TOTAL</b>	\$ -

**PART III - APPROVALS**

Department Director (Up to \$500): \_\_\_\_\_

Chief Financial Officer (Up to \$1500): \_\_\_\_\_

Chief Executive Officer (CEO): \_\_\_\_\_

**Expense Report Instructions**

- Employees must submit this form when requesting reimbursement. This report applies to expenses incurred within the San Diego metropolitan area only.
- Eligible expenses must be related to and necessary for carrying out MTS business. They may include, but are not limited to, business meals, or meetings, parking, or other miscellaneous out-of-pocket expenses related to MTS business. The CFO or CEO may, in their judgment, disallow any extraordinary or inappropriate expenses. Attach receipts for all out-of-pocket expenses.
- Briefly describe the item or the destination and the purpose.

## Attachment E

### Annual Travel Cost Rates Calendar Year 2019

Hotel Maximum (quoted price - not including taxes or fees)

Small/Medium US Cities	\$170.00
Large US Cities/International	\$220.00

Average Daily Meal Maximum

Small/Medium US Cities	\$ 65.00
Large US Cities/International	\$ 80.00

Mileage Reimbursement Rate

As set by the IRS, effective January 1, 2019	
per mile	\$ 0.58

#### NOTES:

1. These are maximum rates. A higher cap may be obtained if pre-authorized by the CEO. Rates must be reasonable and necessary under the circumstances and will customarily be lower.

2. Meal caps are detailed out below, with an overall daily cap of \$65.00 for Small / Medium U.S. Cities and \$80.00 for Large U.S. Cities / International.

Breakfast - \$20.00  
Lunch - \$25.00  
Dinner - \$50.00

3. If a conference registration fee covers meals, employees are to participate in those meals.

4. Small / Medium U.S. Cities are defined for this rate structure as those with less than 1 million persons in the metropolitan area.

Large U.S. Cities are defined for this rate structure as those with more than 1 million persons in the metropolitan area.

5. The Mileage Rate is directly tied to the rate set by the IRS and will be revised more frequently than annually if done so by the IRS.