

San Mateo County Harbor District

Policy Title: Travel and Reimbursement Policy for Employees	Number: 4.2.1	Date of Approval: August 20, 2025
Other Revisions: 06/21/2006; 09/13/2016	Prepared By: Julie van Hoff	

STATEMENT OF POLICY

It is the policy of the San Mateo County Harbor District ("District") to prescribe the manner in which District employees may be reimbursed for expenditures related to District business. This policy applies to all employees (not including Harbor Commissioners). Its provisions are intended to result in no personal gain or loss to an employee and to conform with the requirements of an Accountable Plan under IRS Publication 463, ensuring non-taxable reimbursements for business-related travel and reimbursements.

1. Definitions

- **Commuting Miles:** Miles driven from home to the primary work location; not reimbursable.
- **Per Diem:** Daily allowance for meals and incidental expenses based on rates and location published by the [U.S. General Services Administration](#).
- **Travel:** Travel outside the home and/or workplace, longer than a normal workday, and requiring overnight rest, typically at least 50 miles from home or work (waivable by General Manager).
- **Reimbursable Mileage:** Mileage incurred for approved business travel, or transportation to/from District locations are reimbursed at the current IRS Standard Mileage rate for a privately owned vehicle.
- **Privately Owned Vehicle (POV):** An employee may request or be required to use their POV for business purposes. Prior authorization by the Site Manager is required prior to use.

2. Approval Process for Travel/Conference/Training/POV Use

Prior approval for travel, conference, training and use of a POV for business purposes is required. Following is a summary of the approval process.

General Manager, Directors, Harbormasters or Site Managers, can pre-approve costs up to \$2,500 for a single item (e.g. hotel costs, conference cost) or \$5,000 for the total trip when using a District Purchasing Card (see 4.3.1 Purchasing & Procurement

Policy). Future changes to 4.3.1 Purchasing & Procurement Policy approval amounts will automatically be incorporated into this policy.

Costs above \$2,500 for a single item (e.g. hotel costs, conference cost) or \$5,000 for the total trip cannot be charged on a District Purchasing Card and will require a purchase order. The District Directors may pre-approve travel for costs up to \$10,000 and the General Manager may pre-approve travel costs for up to \$50,000. Anything above these limits requires the approval of the Board of Harbor Commissioners.

3. Process for Requesting Reimbursement

Employees must submit a completed District-approved reimbursement form with:

- Detailed explanation of the costs and business purpose;
- Receipts for all non-per diem expenses (e.g. hotels & airfares not charged on District Purchasing Card, parking fees and tolls);
- Mileage driven on the lesser of home-to-destination or worksite-to-destination distance;
- Daily per diem for Meals & Incidentals. Travel days will be paid at the “First and last day of travel rates” per the US GSA referenced below, which is 75% of per diem rate (as of the date of this policy adoption). Meals that are included in conference/training costs shall be deducted from the daily per diem rate. Meal per diem breakdowns are published at- <https://www.gsa.gov/travel/plan-a-trip/per-diem-rates/mie-breakdowns>

Approval Process

- Completed Reimbursement Forms must be submitted to the employee’s Manager for review and approval within 60 days of incurring the expense. If the reimbursement amount is less than \$5,000, the approved form should be sent to the Accounting Manager for final review and processing.
 - a. If the reimbursement amount exceeds \$5,000, the employee’s Manager will send the form to the department Director for review and approval.
 - b. If the reimbursement amount exceeds \$10,000, the department Director will send the form to the General Manager for additional approval. Once approved by the employee’s Manager, the department Director, and the General Manager, the form will be sent to the Accounting Manager for final review and processing.

General Manager claims above \$5,000 (Hotel, Travel, Per diem) must be submitted to the Accounting Manager and then the Board Treasurer for review. The Board of Harbor Commissioners reviews and approves General Manager reimbursement claims above

\$5,000. For claims under \$5,000, the Director of Administrative Services reviews and approves claims and then sends them to the Accounting Manager for processing.

4. Allowable Expenses with pre-authorization

- **Parking Fees, Tolls, Taxis, Ride-hails, Trains, Buses, Ferries:** Reimbursed with receipts.
- **Meals, Tips, & Incidentals:** Per-Diem rates apply when associated with travel (see definition above); 75% per diem for partial travel days. Meals included in conference/training costs are not reimbursable. Incidentals include fees and tips for porters, restaurant staff, taxi drivers, baggage carriers, and hotel staff.
- **Meals (without overnight travel):** Reimbursed with itemized receipt when attending pre-approved business meal for District purposes.
- **Lodging:** Reimbursed with receipts. Group or Government Rates preferred.
- **Rental Car & Gas:** Reimbursed with receipt. Economy size car only. General Manager may issue a waiver based on business needs.
- **Mileage for approved use of POV:** Reimbursed at IRS rate based on the lesser of home-to-destination or worksite-to-destination distance. Cost cannot exceed the cost of round-trip Economy class airfare plus baggage fees and local transportation.
- **Air Travel:** Reimbursed with receipts. Only Economy class plus baggage fees will be reimbursed. Economy class may include seat selection, but seat upgrade fees or priority boarding fees will not be reimbursed.
- **Booking:** When possible, travel should be coordinated by a District designee to maximize savings. To minimize costs, travel arrangements should be made sufficiently in advance.

5. Non-Allowable Expenses

The District will not reimburse:

- Laundry, cleaning (except trips over one week);
- Tobacco products;
- Alcoholic beverages;
- Entertainment (movies, sports, gyms);
- Meals/lodging already included in registration fees;
- Hotel cancellation fees, unless cancellation was at the request of the District;

- Fines, traffic violations;
- Unapproved rental vehicles or unapproved use of POV;
- Spouse or non-employee expenses;
- Loss or damage to personal items;
- Personal grooming services;
- Personal postage;
- Late credit card fees due to employee delays.

6. Payment Process

- Reimbursements will be processed through the District payroll system.

7. Pre-Payment

- Pre-payment is available for per diem meals and use of POV. Requests for pre-payment must be submitted three weeks' prior to expenditure by written notice to the Accounting Manager.
- Employees must reimburse the District for unused pre-paid expenses.

8. Reporting

California Government Code § 53065.5 requires that all Special Districts, at least annually, disclose any reimbursement paid by the District within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, uniform related reimbursement, or a registration fee paid for any employee. The Accounting Manager posts this report to the District's website.

9. Penalties for Policy Violations

The Accounting Manager may revoke purchasing card privileges if misuse, over-spending, or delinquent accounting occurs.

Penalties for misuse of public resources or falsification include:

- Loss of reimbursement privileges;
- Restitution to the District;
- Civil penalties under Government Code Section 8314;
- Criminal prosecution under Penal Code Section 424, punishable by up to four years in prison.