

- RECOMMENDED -

LAGUNA WOODS VILLAGE

STAFF ALLOWABLE EXPENSES POLICIES & PROCEDURES

It shall be the policy of the management of Laguna Woods Village, and each of the governing Board of Directors ("Boards" or "Board"), to pay the expenses incurred on behalf of the Boards. Allowable expenses must be for a valid business purpose and be approved or budgeted by the respective Board in advance of the expenditure.

It is expected that Staff employees will exercise appropriate care in incurring expenses. It is the responsibility of each individual incurring such expenses, as well as the individuals approving such expenses, to comply with the policies and procedures set forth in this document.

The allowable expenses incurred on behalf of the Boards shall be expenses deemed to be in the best interests of the Board(s).

• Expense Reports

Expenses shall be properly substantiated on Expense Report forms, including the expense pre-approval authorization form containing the purpose of the expense and estimated cost, original receipt(s), travel itineraries and invoices, and approvals. Expense reports shall be prepared, submitted, and approved as soon as practical after the expense was incurred. Department managers shall be responsible for expediting and approving expense reports. Payment of expenses to employees and other individuals shall be completed within 5 business days from submittal of the expense report by the individual. Final approved and paid expense reports shall be electronically scanned and converted to a "pdf" file, and maintained in a central electronic file system readily available for review by Board members.

• Travel Expenses

Travel expenses directly related and necessary to the conduct Board business shall be approved. No other travel expenses shall be approved without specific permission from the responsible Board. In all cases, travel expenses shall be minimized within the constraints of the necessity and purpose for the business expense, economy of the travel plans and arrangements, and safety of the travelers.

Airfare shall be Coach and arranged in advance to take advantage of discounted and restricted fares. Other classes of air travel and "last minute" full-fares shall only be authorized based on personal emergency situations. Normal costs related to air travel (i.e. tickets, transportation to/from airport, tolls, airport parking, sky-cap service tips, rental cars, and gasoline) are reimbursable.

Overnight lodging shall be minimized. Overnight lodging shall be authorized in cases where the expected in-transit travel time plus the business hours required during the day are greater than 10 hours. YAHOO!®, GOOGLE™, or MAPQUEST®, in conjunction with airline itineraries and typical travel delays, shall be used to estimate the expected in-transit travel time. For overnight travel, the maximum lodging rate allowable shall be restricted to 120% of

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the current year per-diem rate established by the General Services Administration (GSA) for the specific travel location, excluding applicable taxes and required fees.

Meal expenses incurred shall be in accordance with the maximum allowable current federal per diem rates as established by the GSA for the destination, and adjusted depending on the travel arrangements. When breakfast is included with lodging, 20% shall be deducted from the allowable GSA rate. During in-transit travel days (i.e. traveling to the destination or returning from the destination), allowable meal expenses shall be 67% the maximum allowable GSA rate for the destination visited.

• Other Expenses

Mileage reimbursement for business use of a personal vehicle shall be discouraged. Mileage for day-to-day use of personal vehicles within the Laguna Woods Village community is not reimbursable. It is expected that, whenever practical, GRF owned vehicles shall be used for required local and emergency business related travel. In cases where mileage reimbursement is requested (e.g. travel to/from an off-site business meeting), records shall be submitted with either a Petty Cash request or Expense Report for payment. Records shall include dates, starting/ending odometer readings, license number of vehicle, starting/destination locations, and purpose for travel. Mileage reimbursement requests shall be submitted within 5 business days of the end of travel. The IRS-approved rate in effect at the time shall be used for reimbursement.

Personal activities and amenities, such as alcohol, theater and pay-per-view shows, hotel guest services, sporting events, games, golf, valet parking, restaurant and theater parking, sauna/gym/spa use, amusement parks, sightseeing tours, laundry/dry cleaning, hair cuts, shoe shines, and mini-bar, club memberships, season tickets, airline club dues, headset rentals, and other similar expenses, are not reimbursable.

Professional fees, memberships, participation in trade associations, off-site meetings and special events, sponsorship of functions of any kind, participation and related costs associated with political legislative participation and activities, payments to outside organizations and consultants, publications, employee gifts and recognitions, traffic violations and parking tickets, and most training courses and seminars are not reimbursable.

Participation in professional training courses, seminars, and related State, County, and City certifications and renewal activities, when required for conduct of Laguna Woods Village business and operations, are reimbursable. In all cases, these activities shall be approved in advance by the appropriate Board(s).

APPROVED BY:

(To be approved by each Board and the General Manager.)